



Virtual Workshop Report-Out: Federal Funding for Aggregated DERs

Context

On Tuesday March 26, 2024, NARUC and NASEO hosted a virtual workshop of the DER Integration and Compensation initiative, covering federal funding opportunities to assist in supporting and scaling the aggregation of DERs to provide grid services.

This report-out offers a brief account of the workshop and provides readers with access to relevant resources.

Objectives

The virtual workshop sought to enable participants to achieve the following objectives:

1. Learn about the landscape of federal funding opportunities for ADER programs from industry experts
2. Demystify accessing these funding opportunities for ADERs to achieve state policy outcomes
3. Surface areas of collaboration and next steps for accessing federal resources with fellow Utility Regulators, State Energy Offices, and State Agency members

Speaker Summary: Dr. Taresa Lawrence, Director of State, Local, Tribal Policy, DOE Office of Policy

Dr. Taresa Lawrence provided a non-comprehensive summary of funding programs and competitions that the DOE offers to enhance grid operations and resilience. The opportunities highlighted spanned across four DOE offices and varied in scope and objectives. A subset of the programs that can reduce the up-front costs of DERs are noted below:

- [Flexible Innovative Transformer Technologies](#) (FITT) – funding for awardees who research, develop, and demonstrate advanced transformers across a range of distribution to transmission scale applications.
- [Home Energy Rebates](#) – a subset of funding from the Inflation Reduction Act (IRA) that enables households to access energy efficiency and electrification technologies more affordably.
- [Communities Sparking Investment in Transformative Energy](#) (C-SITE) – funding for projects that reduce energy use, create local jobs, and focus on delivering benefits to disadvantaged communities.
- [Clean Energy Connector](#) – a tool that makes community solar subscriptions with savings more accessible.

Dr. Taresa Lawrence also noted that within the IRA is a new benefit called **elective pay** – which allows governmental and tax-exempt entities to receive a 30% cash payment from the IRS if they invest money in tax-credit eligible DERs. This expands access to the IRA opportunities for State Energy Offices and other entities.

Question posed to Dr. Taresa Lawrence: What is a tip/trick/or request that you have for state agencies who want to make sure these federal funds make their way into states to support ADERs?

Dr. Taresa Lawrence acknowledged that it takes a lot of planning to make the most of the funding opportunities. Many of the programs and competition options can be paired or stacked, but each has their own requirements, and there is no one-size-fits-all application. It is therefore especially important for applicants to ask questions early on to ensure they are complying with requirements and maximizing potential opportunities. To support applicants, some programs have a limited amount of early administrative funds that may be accessed to assist with developing program plans and preparing applications for DOE funding opportunities (such as the rebate program).

Additionally, there are webinars and office hours that can help clarify what a successful program might look like. Dr. Taresa Lawrence also noted that community development plans are often 20% of the overall technical proposal score, so it's important to include these where relevant.

Speaker Summary: Bo Chen, Principal Engineer, ComEd

Bo Chen presented on ComEd's application for funding from the Bipartisan Infrastructure Law's (BIL) [Grid Resilience and Innovation Partnerships](#) (GRIP) Program. Specifically, ComEd's proposal was for a community-oriented Interoperable Control Framework (ICF) for aggregating and integrating DERs and other grid-edge devices. The grant was for \$50M of the \$116M, 5-year project. The rest of the funding was a cost share. ComEd kept the PUC updated on this project, but Bo Chen was not aware of any intentional coordination.

Bo Chen described the three stages of the federal grant lifecycle that ComEd follows. First, in **Grant Capture**, the DOE specifies what problems can be addressed through the grant. ComEd socializes these funding opportunities with internal stakeholders to see if current and proposed projects are within the funding scope and what resources are available to apply. ComEd also coordinates with external stakeholders to see who might provide technology solutions. ComEd then develops a concept paper and full proposal, which requires engaging across internal teams and working with all stakeholders to determine the cost share that they are able to provide. Typically, ComEd will match the federal grant. If the grant is awarded, ComEd makes sure the Public Utilities Commission is made aware of the projects and the costs and engages with their internal planning team to ensure they are prepared for the costs and execution. The **Grant Execution** phase typically lasts 3-5 years, depending on the project. ComEd regularly meets with the DOE to make sure details, including cost share and technical standards, are aligned. The final stage is the **Grant Closing**. In total, this federal grant lifecycle can take 4-7 years. ComEd has worked with [CESER](#) and other [DOE offices](#) on various projects.

Question posed to Bo Chen: What would you do differently if you were to apply again to the GRIP Program?

Bo Chen noted that coordination is really the key. It's necessary to communicate early and often and ensure that there are sufficient resources to execute the grant. The proposal timeline doesn't leave a lot of time to fully evaluate resource availability, so it's often helpful to be aware of what resources are available before the funding opportunities are announced. More regular internal coordination meetings would support this more proactive approach.

Potential Actions on Funding Applications to Engage with Federal Funding Opportunities

- Explore opportunities for pairing and stacking different federal funding opportunities.
- Coordinate with internal and external stakeholders when defining project proposal's scope and when developing Community Benefits Plans, where applicable.
- Set up internal processes for solicitations and standards for long-term project management.

Potential Actions NARUC and NASEO Members May Consider to Access Federal Funding Opportunities for Their States

- Proactively inquire with utilities if and how they are pursuing available federal funding.
- Track federal funding use by utilities to understand the overall impact on DER aggregations.
- Engage with projects that are using federal funding to support aggregated DERs. This can help understand where policy gaps remain, or how policy or regulatory barriers to aggregated DER use can be mitigated.
- Create opportunities and venues for coordination across relevant key stakeholders. This may be establishing working groups to target priority policy outcomes, for example.

Sources & Resources

A special thanks to the two speakers who supported this opportunity:

- **Dr. Taresa Lawrence**, Director of State, Local, Tribal Policy, DOE Office of Policy
- **Bo Chen**, Principal Engineer, ComEd

For more information on DOE programs, please see:

- <https://www.energy.gov/infrastructure/clean-energy-infrastructure-homepage>
- <https://www.energy.gov/offices>
- <https://www.energy.gov/newsroom>