



NARUC
National Association of Regulatory
Utility Commissioners

For Immediate Release
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New NARUC-NASEO Reports on Microgrid Financing and Use Cases

WASHINGTON (**January 13, 2021**) — The National Association of Regulatory Utility Commissioners and the National Association of State Energy Officials today announced the release of two new reports on design approaches and funding and financing options for states to consider in actions they take to support microgrid deployment.

Customers – private and public sector – choose to install microgrids based on a range of motivations, which often include increasing reliability and resilience of critical loads, decreasing electricity costs, integrating clean energy and/or providing power to remote or island communities. *User Objectives and Design Approaches for Microgrids: Options for Delivering Reliability and Resilience, Clean Energy, Energy Savings, and Other Priorities* explores each of these motivations and discusses how each one impacts the design of a microgrid. NARUC and NASEO leveraged Lawrence Berkeley National Laboratory's Distributed Energy Resources Customer Adoption Model to illustrate how objectives translate into design and operational decisions. Download the [executive summary](#) and the [full report](#).

"State Public Utility Commissions and State Energy Offices play critical roles in establishing regulatory and policy structures that can advance microgrid development in support of customer and system needs," said NARUC Executive Director Greg White. "This report shines a light on microgrid customers' decision-making processes and identifies areas in which state regulators and policymakers can help address common challenges."

The companion paper, *Private, State, and Federal Funding and Financing Options to Enable Resilient, Affordable, and Clean Microgrids* outlines potential options to fund and finance microgrid development. Significant upfront costs and unclear valuation of benefits pose challenges for public and private-sector entities interested in developing microgrids. However, microgrids offer a variety of value streams that developers can leverage to mitigate financial risk and make projects more compelling for investors. Download the [executive summary](#) and the [full report](#).

"This report highlights the growing number of innovative policies and financing products that can help states in working with prospective public and private sector customers invest in microgrids," said NASEO Executive Director David Terry. "NASEO is eager to help states understand the public-private partnerships and policy strategies to break down barriers, by addressing upfront costs, offering more attractive value streams for payback, and providing new risk mitigation structures."

The papers were developed as part of the NARUC-NASEO Microgrids State Working Group, which was established in 2019 with support from the U.S. Department of Energy Office of Electricity. The MSWG's objectives are to bring together NARUC and NASEO members to explore the capabilities, costs and benefits of microgrids; discuss barriers to microgrid development; and develop strategies to plan, finance and deploy microgrids to improve resilience.

"The NARUC-NASEO Microgrids State Working Group has allowed Public Utility Commissions and State Energy Offices to discuss and further microgrid development across the United States," Commissioner D. Ethan Kimbrel of the Illinois Commerce Commission said. "As outlined in both reports, the Commonwealth Edison Bronzeville microgrid in Chicago is one example of how microgrids can enhance community resilience. Results and lessons from Bronzeville and similar projects in other states are contributing to ongoing efforts to assess the value of microgrids to customers and the grid."

"Kentucky is actively looking toward microgrids as a resilience tool to enhance our energy infrastructure," said Kenya Stump, Executive Director of the Kentucky Office of Energy Policy.

“That’s why we are funding a Regional Microgrid Study to support resilience efforts at critical facilities that will benefit all Kentuckians. The paper on financing options highlights the many potential financing options that states have at their disposal in strengthening microgrid development and deployment.”

Download the papers and view other microgrid resources at bit.ly/narucmicrogrids and bit.ly/naseomicrogrids.

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About NARUC

NARUC is a non-profit organization founded in 1889 whose members include the governmental agencies that are engaged in the regulation of utilities and carriers in the fifty States, the District of Columbia, Puerto Rico and the Virgin Islands. NARUC's member agencies regulate telecommunications, energy, and water utilities. NARUC represents the interests of State public utility commissions before the three branches of the Federal government. www.naruc.org

About NASEO

NASEO is the only national non-profit association for the governor-designated State Energy Directors and the over 3,000 staff of their offices from each of the 56 states and territories. Formed by the states in 1986, NASEO facilitates peer learning among state energy officials, serves as a resource for and about state energy policy, and advocates the interests of the state energy offices to Congress and federal agencies. www.naseo.org