

**In the Matter of the Commission’s
Investigation Into the Implementation of
the Federal Infrastructure Investment
and Jobs Act**)
)
) **Case No. 22-755-AU-COI**
)

DISCUSSION

OREC is an Ohio non-profit corporation with its principal place of business located at 6677 Busch Boulevard, Columbus, Ohio 43229. OREC is the statewide trade association for its 24-member electric distribution cooperatives operating in the State of Ohio. Those member distribution cooperatives serve nearly 400,000 residential, commercial, and industrial customers in service territories encompassing primarily rural areas in 77 of Ohio's 88 counties.

All of OREC's member distribution cooperatives are small utilities that sell less than 4 million MWh's of electricity per year, meeting the criteria for the small utility set-aside in the Infrastructure Law.

OREC's members serve in the predominantly rural areas of the State of Ohio and have much less customer density than Ohio's investor-owned and municipal utilities. The Ohio distribution cooperatives therefore have many more miles of electric distribution lines and facilities per customer than other utilities, and therefore service to their members can be easily disrupted by weather and other events impacting those distribution facilities.

The Grid Resilience Formula Grant Program (Section 40101(d)) is one component of several within the IIJA that can benefit electric utilities across Ohio. Beyond 40101(d), there are other components with which Commission involvement may be valuable. Each of these programs relate to matters jurisdictional to the Commission and are of interest to OREC and its members.

- 1) Section 40101(c) and (d) Preventing Outages and Enhancing the Resilience of the Electric Grid (General Resilience)
- 2) Section 40103(b) Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency (Innovative & Regional Resilience)
- 3) Section 40107 Deployment of Technologies to Enhance Grid Flexibility (Smart Grid)

I. Section 40103(b): Program Upgrading the Electric Grid and Ensuring Reliability and Resiliency

Section 40103 of the IIJA relates to Electric Grid Reliability and Resilience Research, Development, and Demonstration, and Section 40103(b) addresses the Energy Infrastructure Financial Assistance Program. The Energy Infrastructure Financial Assistance Program provides what may be the best opportunity for a substantive grant for improving regional resilience across the State of Ohio. The Program creates an opportunity for multiple projects to be pooled to address enhancements in Ohio's grid which span more than a single utility. The Department of Energy's ("DOE") objectives for this program include:

- Ensuring reliable grid operations by reducing the frequency, scale, and/or duration of disruptions, improving availability of a technologically and geographically diverse set of generation capacity, and reducing costs associated with increased reliability
- Improving overall grid resilience in terms of avoiding, withstanding, responding to, and recovering from disruptions, including deliberate attacks, accidents, the growing threats of extreme weather events and climate change, and other naturally occurring threats or incidents.
- Enhancing collaboration between and among eligible entities and private and public sector owners and operators on grid resilience, in alignment with regional resilience strategies and plans.
- Contributing to the decarbonization of the electricity and broader energy system in a way that supports system resilience, reliability, and affordability by improving access to technologically and geographically diverse energy resources, including distributed energy resources and electrification opportunities
- Providing enhanced system value, improving current and future system cost-effectiveness, and delivering economic benefits to community members, underrepresented regions, or other stakeholders

The DOE is proposing award sizes between \$50 million and \$250 million per award (federal share) with a 50% cost share from non-federal sources which OREC believes can include utilities. The eligible applicants for this Program are 1) a state or combination of states, 2) public utility commissions, 3) Indian Tribes, or 4) units of local government. The intent of the

Program is for eligible entities to coordinate and collaborate with electric sector owners and operators, such as electric cooperatives and other electric utilities. As a result, involvement by the PUCO is critical to obtaining funding from this Program to improve grid resilience statewide.

OREC may be well positioned to support the PUCO in making an application for this Program.¹ OREC, in coordination with its 24-member distribution cooperatives, may be able to build a portfolio of projects which can strengthen resilience across the State of Ohio, and which would allow Ohio to address many of the DOE's stated objectives. As a first step in quantifying the need and interest in resilience grant support, OREC surveyed its members and has initially identified 30 projects which its members believed would significantly address resiliency in their service territories. The estimated budgets for most of these projects were greater than \$500,000. In addition to the distribution cooperative responses, Buckeye Power, Inc., the generation and transmission provider for Ohio's electric distribution cooperatives, also has projects that would address resilience.

II. Grid Resilience and Innovation Partnerships (GRIP) Program

The DOE has grouped the programs under Sections 40101(c), 40103(b), and 40107 under the umbrella of the Grid Resilience and Innovation Partnerships (GRIP) Program and has recently released guidance on the GRIP Programs.² Through the GRIP Program, the DOE is proposing a combined implementation strategy among states, local governments, Tribes, and power system owners and operators to support the development of more comprehensive and regional resilience strategies. The DOE indicates that this collaboration under the GRIP Program

¹ The DOE is requiring Concept Papers be submitted for initial evaluation by the DOE before determining who can make full applications for funding. OREC supports the submission of a Concept Paper regarding a state-wide plan to improve resiliency under 40103(b).

² See <https://www.grants.gov/web/grants/view-opportunity.html?oppId=343309> and <https://www.energy.gov/articles/biden-harris-administration-launches-105-billion-investment-strengthen-americas-electric> for guidance.

is a unique chance to build partnerships that align industry objectives with broader regional goals to enhance reliability, all-hazards resilience, access to affordable energy resources, and efficiency of the electric grid.

In evaluating applications for grants under the GRIP Program, the DOE heavily favors projects that collaborate or further state plans for resiliency. As a part of the guidance and Request for Information issued by DOE recently for the GRIP Program, the DOE provided specific weighted criteria which will be used to evaluate grant applications from utilities. The criteria weighted most heavily is the “Impact, Transformation and Technical Merit” of the application which will be weighted as 50% of the applicant’s score. The details provided by the DOE related to criteria include the following items,

- Extent to which the proposed projects will generate the greatest community or regional resilience benefit in reducing the likelihood and consequences of disruptive events.
- Extent to which project supports State, local, Tribal, regional resilience, decarbonization, or other energy strategies and plans.
- Extent to which the proposed project aligns with and is additive to the current efforts by the applicant outlined in the Report on Resilience Investments.
- Extent to which the application provides sufficient technical detail to demonstrate that the proposed project is technically feasible and would likely result in the described community or regional resilience benefits.
- The potential impact of the project to lead to additional private sector investments.

The importance of close collaboration of individual utility applications with the state’s plans and support of regional resilience are clearly articulated in the DOE guidance. As a result, OREC requests that the PUCO work collaboratively with OREC and other utilities to discuss or develop, to the extent beneficial to obtain federal funding, energy strategies and regional planning to allow applications from OREC’s members to be well received by the DOE.

Respectfully submitted,

BUCKEYE POWER, INC.

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CERTIFICATE OF SERVICE

I certify that the foregoing was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on this 12th day of September, 2022. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties.

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Summary: Comments electronically filed by Mr. N. Trevor Alexander on behalf of
Ohio Rural Electric Cooperatives