

Bipartisan Policy Center Response to Request for Information on Energy Improvements in Rural or Remote Areas

TO: Office of Clean Energy Demonstrations, U.S. Department of Energy

DATE: December 5, 2022

RE: DE-FOA-0002841: Bipartisan Infrastructure Law (BIL): Energy Improvements in Rural or Remote Areas

FROM: Bipartisan Policy Center

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Thank you for the opportunity to provide insights and guidance to the Department of Energy's (DOE) Office of Clean Energy Demonstration's (OCED's) implementation of the bipartisan Infrastructure Investments and Jobs Act's (IIJA's) Energy Improvement in Rural and Remote Areas program.

Acceleration of clean energy deployment has demonstrated multiple benefits by providing more jobs, enabling greater income diversity, and increasing innovation in rural America.¹ With the IIJA-appropriated \$1 billion, OCED has the opportunity to deploy more clean energy projects in rural and remote communities while helping close the gap on clean energy job losses caused by the COVID-19 global pandemic.² These federal investments have the potential to directly benefit the economy and climate, both locally and globally. Clean energy projects can alleviate the three-fold disproportionate energy burdens faced by rural households, while facilitating new clean economic opportunities that set the nation on a path to net-zero greenhouse gas emissions by 2050.³

To assist OCED in maximizing its impact as it implements the Energy Improvement in Rural and Remote Areas program, we have answered four questions from the Request for Information, listed in text boxes below. We have organized our answers into one or more recommendations that highlight insights from practitioners, academics, and partners, and analysis primarily derived from reports developed by the Bipartisan Policy Center (BPC).

¹ Bipartisan Policy Center. 2019. *Energizing Rural America: A Cooperative Effort to Advance Renewable Power*. <https://bipartisanpolicy.org/blog/energizing-rural-america-a-cooperative-effort-to-advance-renewable-power/>

² World Resource Institute. 2021. *5 Graphics that Explain Clean Energy Jobs in Rural America*. <https://www.wri.org/insights/clean-energy-jobs-rural-communities-us-5-graphics>

³ World Resource institute. 2021. *Addressing Energy Equity in the United States*. <https://www.wri.org/research/energy-equity-united-states-federal-investment>

Category 2: Potential Project Details. Section 40103(c) of the BIL provides that federal support, including financial assistance to rural or remote areas, may be provided for the purpose of:

- A. Improving the overall cost-effectiveness of energy generation, transmission, or distribution systems;
- B. siting or upgrading transmission and distribution lines;
- C. reducing greenhouse gas emissions from energy generation by rural or remote areas;
- D. providing or modernizing electric generation facilities;
- E. developing microgrids; and
- F. increasing energy efficiency.

Project Priorities:

2.4 Given the purposes referenced above (bullets A-F), what types of energy projects would be most impactful?

Recommendation 1: Ensure infrastructure investments provide needed benefits for communities.

Rural and remote communities are diverse and require clean energy and infrastructure projects that address their community-specific needs, create direct economic opportunities, and address challenges caused by climate change. BPC, in partnership with the American Association of Blacks in Energy, identified three investment categories that support equitable and sustainable investments in energy infrastructure.⁴ When selecting types of energy projects that would be most impactful, we recommend ensuring projects fall under one or more these three categories:

1. Foundational Investments: targeting areas of historic underinvestment with the aim of modernizing energy infrastructure and supporting communities' full economic participation and well-being.
2. Remedial Investments: aiming to correct for or eliminate existing infrastructure deficiencies resulting from past neglect, harm, or obsolescence.
3. Resilience Investments: improving energy infrastructure so that communities can better withstand the impacts of extreme weather and climate-induced hazards.

Category 3: Program Structure In addition to seeking information on the types of projects and attributes of communities that may seek assistance through this provision, OCED is seeking feedback

⁴ Bipartisan Policy Center. 2022. *Improving Equity Outcomes for New Federal Investments in Clean Energy Infrastructure*. <https://bipartisanpolicy.org/explainer/improving-equity-outcomes-for-new-federal-investments-in-clean-energy-infrastructure/>

and additional information on the structure of the program, including the role of partners, states, and other organizations in supporting improvements in rural and remote areas

Program Design OCED recognizes the need for engagement, partnerships, financing access, and key outcome metrics as critical elements in its program design. These questions are specifically seeking local, regional, state, or national considerations for OCED to consider in finalizing program design.

Stakeholder Engagement: Stakeholder engagement is key for rural or remote areas. OCED is seeking feedback on gaps and opportunities to increase enhanced awareness on reaching these areas.

3.1 Are there best practices OCED should consider for engaging with rural or remote stakeholders?

Recommendation 2: Adopt lessons learned from past energy demonstration projects. BPC commissioned a case study on successful community engagement for a DOE-funded clean energy demonstration project that was sited in a rural community in Illinois. The following are five key lessons from that case study that OCED should consider supporting meaningful stakeholder engagement.

Lesson 1: *Stakeholder engagement readiness should be demonstrated at the application stage.* All projects, especially those that receive federal funding, should demonstrate understanding and readiness to engage stakeholders. DOE has a significant role to play in this regard when reviewing and awarding proposals. A good stakeholder engagement plan should answer the following questions:

- Does the plan demonstrate a thorough understanding of local, regional, and state stakeholders?
- Does the plan account for changes in stakeholder engagement processes over time?
- How will stakeholder engagement be defined, tracked, implemented, measured, and refined?
- Does the plan accommodate formative (real-time) and summative (end) evaluation of stakeholder engagement activities?
- Does the plan clearly identify key stakeholder groups?
- Does the plan recognize which stakeholders are NOT at the table, are under-represented, or are missing? Is there a roadmap for seeking out these stakeholders and engaging them?
- Who is on the stakeholder engagement team? Does the team collectively represent a variety of views, expertise, and sectors?
- Does the plan demonstrate a thorough understanding of social risk associated with a project and have processes in place to monitor public sentiment through media reports or other available data?
- Does the plan have an emergent, evolving component? Does it take into account the time needed to evolve stakeholder engagement processes and embed trusted personnel?
- How does the plan address specific stakeholder organizations with concerns such as environmental justice, climate justice, and energy justice?

Lesson 2: *Effective stakeholder engagement requires sustained knowledge sharing that is not tied to political cycles.* There is a need for continual knowledge sharing for some projects that take a long time to complete. DOE should ensure it provides the necessary continuity in stakeholder engagement support and fulfill the need for long-term institutional knowledge at the local and regional level.

Lesson 3: *Alignment of local interests with federally funded project objectives is critical to meaningful stakeholder engagement.* The alignment of interests and the collaboration with local and state partners leads to a shared and meaningful understanding of the benefits and risks associated with clean energy projects.

Lesson 4: *Stakeholder engagement should be rooted in best practices and conducted at the local level.* Building relationships with local stakeholders throughout the early stages of projects is essential. Ideally, these interactions are conducted in small groups or one-on-one where stakeholders can voice concerns and ask questions. Local and regional stakeholder engagement efforts build trust based on shared experience and pre-existing relationships. Further, multiple interaction with the same stakeholders is critical. Stakeholders often need time and repeated engagement to gain conceptual understanding, ask questions, and gain familiarity with novel technologies. It is critical to understand and respect differences and tailor engagement approaches as needed (e.g., meet with landowners in their homes, organize meetings with stakeholders that have shared concerns, hold meetings at times that accommodate different schedules).

Lesson 5: *Stakeholder engagement and communications planning are critical on-going activities and should be funded adequately, including by federal funds.* Stakeholder engagement planning is best executed as an integral project management function and benefits from dedicated resources.

Recommendation 3: Develop and utilize robust stakeholder engagement metrics for reviewing and awarding proposals. OCED should use the following proven practices and characteristics to set a best practice standard across various projects.⁵ The quality and effectiveness of these activities can be rated using a sliding scale (e.g., 5-point rating metric) informed by best practices or stakeholder engagement practitioners, guidance from local communities and project specifics.

List of stakeholder engagement metrics for reviewing projects and proposals:

- Conducted early engagement
- Communicated local project benefits and perceived risks through public presentations
- Tailored outreach materials to different audiences and employed varied formal and informal engagement strategies
- Demonstrated knowledge about relevant stakeholders (who is/is not at the table) and had effective characterization of local opinions prior to project development

⁵ U.S. Government Accountability Office. 2022. *Decarbonization: Status, Challenges, and Policy Options for Carbon Capture, Utilization, and Storage.* <https://www.gao.gov/products/gao-22-105274>

- Demonstrated clarity about the role of engagement in decision making (informing, consulting, involving, collaborating, and empowering)
- Involved local stakeholders and community members in initial project planning
- Gained local political support
- Addressed key concerns of the community
- Provided multiple tools, opportunities or strategies to inform community about on-going activity

Partnerships: Whether through direct federal partnerships or with local, state, regional, nonprofit, or for-profit organizations could make projects successful. OCED is seeking more information on current partnerships or potential future partnerships to make these projects successful broadly.

3.5 What existing federal, regional, and or state entities that are already engaging in rural and remote communities should OCED leverage?

Recommendation 4: Leverage Existing USDA Programs and Offices for Trusted Partnerships in Rural America. At the local-level OCED should seek to prioritize and invest in community-based partnerships to expand engagement past regular actors. OCED should also leverage the trusted partnerships, expertise and local-know-how of the Department of Agriculture (USDA) offices when working with rural communities. Particularly the following offices have extensive knowledge about rural America that is essential to deploying clean energy solutions:

USDA's local ag extension offices: trusted conversation facilitators and communicators of information and guidance in many rural communities. They also have strong relationships with local land-grant universities, who are also trusted partners in rural communities.

USDA's socially disadvantaged producers programs: programs such as the 2501 program, the America Rescue Plan Technical Assistance and Investment (ARPTAI) Program for Underserved Producers, are the oldest programs working in, for, and with rural communities.

Technical Assistance DOE is considering providing technical assistance to awardees and other potential recipients, including:

- Characterizing the potential for clean energy
- Assessing permitting and siting needs
- Assessing the needed interconnection, transmission, and other grid components
- Assessing system design and operational risk
- Providing measurement, reporting, and validation support to awardees
- Identifying and analyzing financing options for pursuing projects, including partnership opportunities

- Providing capacity-building support to enable effective engagement with private sector entities on environmental and energy justice matters, and
- Assessing existing workforce skills match with clean energy demonstration activities and other project dimensions critical for success.

3.20 Are there other key areas not listed above that should be considered for technical assistance needs for project and project developers?

Recommendation 5: Address Common Barriers in Federal Program Participation for Rural

Communities. Last year, BPC conducted various conversations with stakeholders across rural America to identify barriers to participation in natural carbon solution programs.⁶ The following are a small subset of common barriers that can also impact clean energy projects in rural communities:

- Lack of communication between land operators and landowners
- Lack of flexibility of federal programs in allowing land renters to participate
- Lack of programs that facilitate formalized agreements between land tenants and landowners (e.x. leasing support)
- Lack of flexible or alternative funding and payment options
- Lack of support for project aggregation to facilitate project developments and cost sharing across multiple small landowners
- Lack of legal services and grant writing assistance
- Lack of expanded broadband service and alternative options to facilitate participation

In partnership with other agencies across the federal and state government, OCED should make sure to provide a holistic set of technical assistance that alleviates these barriers alongside the list provided in the question above.

Recommendation 6: Address Community Readiness Challenges by Coordinating with Existing Programs in the Federal Government. Rural communities may require support to meaningfully participate in the clean energy opportunities that are coming their way. For example, a clean energy project may not result in the promised cost savings if a rural community faces local transmission challenges. OCED can maximize the impact of its projects by being a connector of other existing projects that bolster community readiness. This can be done through formal or informal partnerships with existing federal programs efforts or through technical assistance. For example, OCED can work with USDA's Electric Infrastructure Loan and Loan Guarantee program to help bolster existing electric generation & distribution in rural communities.

⁶ Bipartisan Policy Center. 2021. *Leveraging Outreach and Technical Assistance to Scale Natural Climate Solutions*. <https://bipartisanpolicy.org/report/outreach-assistance-climate-solutions/>