# Tribal Resilient Energy Infrastructure

Hosted by the WRP Energy Committee December 8, 2020

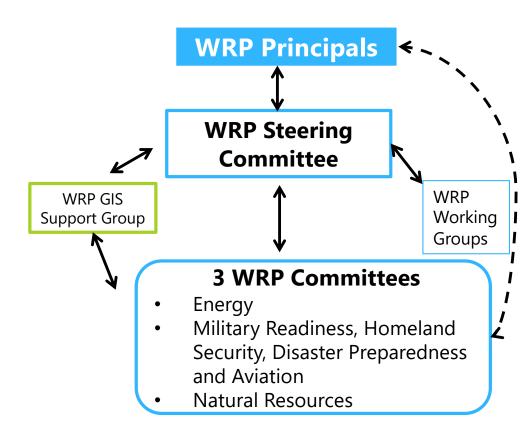
#### **WRP Mission**

WRP provides a proactive and collaborative framework for senior-policy level Federal, State and Tribal leadership to identify common goals and emerging issues in the states of Arizona, California, Colorado, Nevada, New Mexico and Utah and to develop solutions that support WRP Partners and protect natural and cultural resources, while promoting sustainability, homeland security and military readiness.

#### **WRP Structure**

#### **WRP Co-Chairs:**

- Honorable Gary Herbert, Governor of Utah
- Honorable W. Jordan Gillis, Assistant Secretary of Defense for Sustainment
- TBD, Assistant Secretary for Land and Minerals Management, DOI



### WRP ENERGY COMMITTEE CO-CHAIRS

- Steven Arenson, Deputy Director, Strategic Plans and Programs, Office of the Deputy Assistant Secretary of the Air Force for Installations
- Jim Bartridge, Senior Transmission Program Specialist, Siting, Transmission and Environmental Protection Division, California Energy Commission
- David Bobzien, Director, Nevada Governor's Office of Energy
- Shelly Lynch, Branch Chief, Lands Recreation and Planning, California State Office, Interior Regions 8 and 10
- Leroy Shingoitewa, Hopi Tribe

WRP Energy Committee GIS Liaison: Jim O-Sullivan, Industry Economist, Office of Petroleum, Natural Gas & Biofuels Analysis, U.S. Energy Information Administration

## Brief Background on WRP Resilient Energy Infrastructure Deep-Dive

- Current WRP Priority:
  - Building Resilience in the West for America's Defense, Energy, Environment and Infrastructure through Enhanced Collaboration among Federal, State and Tribal Entities.
    - Explore tools and resources needed to <u>build resilience to</u> support the diverse missions of Federal, State and Tribal entities in the WRP Region
- Phase one: Survey of WRP Leadership identified four deep-dives
  - Resiliency of Airspace in the WRP Region
  - Water Security
  - Disaster Mitigation
  - Resilient Energy Infrastructure

## WRP Building Resilience Terminology

The term "building resilience" is widely used but has a variety of definitions. For purposes of this strategic priority, "building resilience" will focus on:

- The natural and built infrastructure systems needed by Federal, State and Tribal Entities to perform essential functions;
- Current or anticipated impacts on these natural and built infrastructure systems from natural processes or human activities; and
- Resources to maintain, improve or rapidly reestablish essential functions in the event of such impacts or to avoid, prepare for, minimize the effect of, adapt to or recover from such impacts on these infrastructure systems.

### **Tribal Resilient Energy Infrastructure Webinar**

#### Tribal lands' energy resources

- Conventional (oil, natural gas, and coal)
- Renewable (wind, solar, geothermal and biomass)
- Generate power
- Provide revenue
- Create jobs

#### This webinar will:

- Share information on relevant state energy policies
- Highlight Blue Lake Rancheria's efforts towards energy resiliency
- Highlight Department of Energy programs supporting energy development on Tribal lands
- Discuss recommendations and opportunities to enhance and strengthen Indian tribal energy development



### Ms. Pilar M. Thomas Partner, Quarles & Brady LLP

- Partner in the firm's Energy, Environment & Natural Resources
   Practice Group, focusing on tribal renewable energy project
   development and finance, tribal economic development, federal
   Indian Law, and natural resource development
- Provides strategic legal advice on tribal energy policy and planning; clean energy and infrastructure project development and finance; federal and state energy regulatory, programs, and policy efforts; and federal requirements for tribal lands development
- Previously
  - Deputy Director for the Office of Indian Energy Policy and Programs at the US Department of Energy, responsible for developing and implementing policy and program efforts within the department and federal government related to the promotion of energy development, electrification, and infrastructure improvement on tribal lands.
  - Deputy Solicitor of Indian Affairs for the US Department of the Interior.
  - Interim Attorney General and Chief of Staff to Chairwoman Herminia Frias of the Pascua Yaqui Tribe.
  - Trial attorney in the US Department of Justice, Environmental and Natural Resources Division, Indian Resources Section.

#### WRP Tribal Resilient Energy Infrastructure Workshop: State Regulatory Actions

Pilar M. Thomas

Partner

Energy, Environment and Natural Resources

Pilar.Thomas@quarles.com

December 8, 2020



#### Agenda

- Tribal Energy Resiliency Projects
- Project Models
- Market/Technologies Trends
- Legal/Regulatory Considerations
- Southwestern States' Current Actions



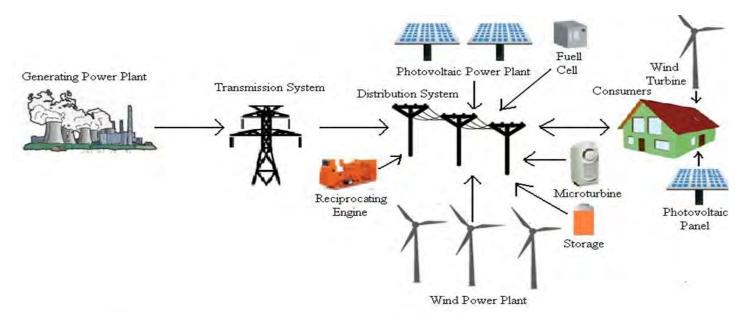
#### Tribal Energy Resiliency – What Is It, Why Do It

- Resiliency
  - Increased reliability
  - System adequacy
  - Diversity of energy supply
  - Control of energy supply
  - Reduced risk exposure to "centralized power" and transmission
  - Climate Change Adaptation
- Benefits
  - Energy Sovereignty
  - Control of electricity costs (lower, stabilize)
  - Economic Development
    - Jobs
    - Sustainable business development / competitive advantage



#### Distributed Energy Resources

- Defined: generation located in distribution grid, customer or third-party-owned generation, storage
- Technologies: rooftop solar, small wind, community solar or wind (such as solar gardens), energy storage, diesel / natural gas generators, microgrids (multiple generation technologies)
- Can be "behind the meter" (net metering) or "in front of the meter" (PURPA, CCA)

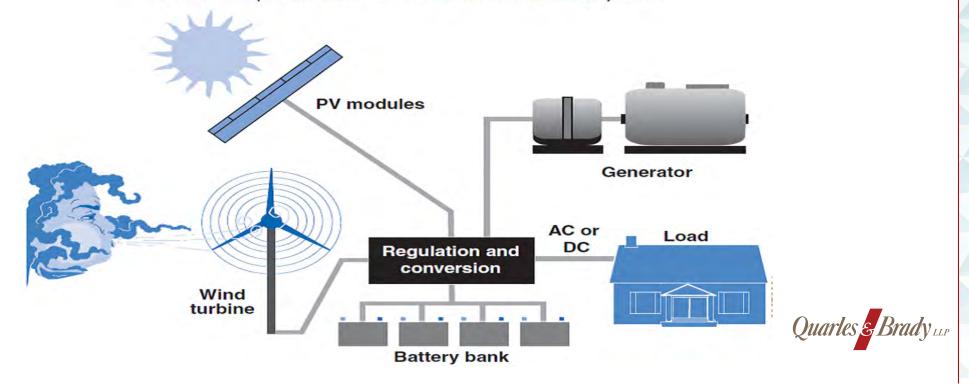




#### **Community Microgrids**

"Localized load and generation resources which normally operate connected to and synchronous with the traditional grid but can disconnect and function autonomously as an island within the grid"

#### Hybrid Power Systems Combine multiple sources to deliver non-intermittent electric power



#### Market / Technology Trends

- Climate change impacts adaptation and resiliency driving micro-grid adoption, locating generation closer to load
- Falling costs cheaper to build new solar/wind than natural gas, coal; storage falling fastest
- Local government sustainability "Ready for 100" (50 cities); low income community solar models
- Financing Citi Group (\$100B commitment); JP Morgan (\$200B commitment); green bonds; federal financing (DOE, DOI, USDA, Commerce, SBA)
- Utility Business Models undergoing examinations; utility pressure to satisfy customer renewable energy demands; beginning to invest in distribution systems upgrades to accommodate DER
- State regulatory rate design shifting to "time of use" and "demand" charges; incentives for DER/Microgrids; CCA adoption; focus on incorporating low-income, vulnerable, tribal communities
- Federal incentives ending creating level playing field for tribes; but short term opportunities to lock in tax credits



#### Legal / Regulatory / Energy Policy Considerations

- Federal Policy and Jurisdiction
  - FPA/PURPA Jurisdictional utilities required to interconnect and buy power from qualified facilities < 80 MW alternative energy
  - Energy Programs mostly focused on financial and technical assistance
  - Tax Code tax benefits for renewable energy projects, Indian Country investment
- State jurisdiction regulated retail environments
  - DER rate-setting, tariffs
    - Net metering behind the meter; virtual/aggregate net metering
    - PURPA rules "avoided cost" tariffs/contract terms
  - Community choice aggregation
  - Interconnection standards
- Tribal Jurisdiction control over own development, use
  - Self-determination development authorities HEARTH Act, TERAS, TAS
  - Unresolved authorities state vs. tribal regulation of state regulated utilities



#### State Regulatory Policies

- Community choice aggregation 5 states, including CA
  - Allows for a local community to aggregate ratepayers, create new power purchasing authority for whole community, utility must still transmit and distribute power
  - CA experience reduction of electricity costs by 5-10%, opportunities to do DER within CCA area
- Virtual / Aggregate Net Metering
  - Virtual Net Metering a tariff arrangement that allows for off-site renewable energy systems energy credits/production to be shared across, or allocated to, one or more meters
  - Aggregate Net Metering a tariff arrangement that allows one or more ratepayers
    with multiple meters to be aggregated then energy offset with an on or off-site
    renewable energy system
- PURPA

Quarles & Brady LLH

• State specific rules for interconnection, contract terms, avoided cost rates

#### Southwest States – CA

- Calif Public Utilities Commission (CPUC)
  - Microgrid/resiliency rulemaking explicitly includes tribal governments
  - Solar Generation Incentive Program (SGIP) tribal project set-aside
- California Energy Commission (CEC)
  - Microgrid funding tribal government set aside
  - Strategic tribal energy needs funding
  - Disadvantaged communities work group explicitly includes Indian lands



#### Southwest States – NV

- RPS of 50% by 2030
  - Recently amended the state constitution to require 50% renewable energy
  - No DER set aside (but energy efficiency can be 10%)
- Climate change adaptation plan
- Net Metering Rules
  - Tiered net metering, with stepdown from 95 75% of retail rate, based on amount of net-metered installed capacity (now in the 75% tier)
  - Keep rate for 20 years
  - Up to 25kW size projects
- Qualifying Facilities (PURPA)
  - Up to 80MW
  - Avoided cost rate firm, non-firm power
- Additional renewable energy projects incentive programs
  - Available to public entities, non-profits/low income, residential/small business
  - 25 kW 500 kW size systems



#### Southwest States – AZ

- AZ Corp Commission (ACC)
  - New net metering rules in 2017 decreases economic benefit of rooftop solar, behind the meter projects
    - Paid "Net Export Rate" for excess power produced
    - Utility specific rate
  - Recently approved 50% renewable, 100% clean energy by 2050
    - No set aside for DER
    - Allows rural electric coops to effectively opt-out
  - Recently authorized PURPA contracts for up to 18 years



#### Southwest States – NM

- Energy Transition Act (2019)
  - Requires 100% carbon-free energy by 2045 (2050 for coops)
  - Requires 50% renewable energy by 2030
  - Includes rural electric coops, but does allow them to import renewable power or buy RECs
  - No DER set-aside, but incentive to support DER for public entities and schools
- Net Metering
  - For systems < 10kW, excess credits or avoided cost payment
  - For systems > 10kW, avoided cost payment



#### Southwest States – UT

- Net Metering
  - Similar to AZ receive an export credit at a set price for excess power produced (currently set at 5.8 ¢/kWh
  - 25 kW for residential, 2 MW for commercial/industrial
  - Allows aggregate net metering
- RPS voluntary goal of 25% by 2025
- Incentives utility, tax credits
- PURPA contracts up to 15 years



## Ms. Jana Ganion Sustainability and Government Affairs Director Blue Lake Rancheria

- Creates and deploys community strategies for zero-carbon resilience and sustainability.
- Works on policy at the tribal, state, and federal government interfaces, develops and maintains strategic partnerships, and designs and manages energy, water, food, transportation, and telecommunications projects.
- Development experience includes low-carbon electric microgrids, electrified transportation infrastructure, and strategic planning in sustainability, climate mitigation and adaptation, emergency preparedness, and economic development.
- Co-chair of the U.S. Department of Energy's Indian Country Energy and Infrastructure Working Group
- Appointee to the U.S. Bureau of Ocean Energy Management California Task Force, California's Integrated Climate Adaptation and Resilience Technical Advisory Committee, California AB 617 Community Air Protection Program Consultation Group, and the California SB 350 Disadvantaged Communities Advisory Group for the California Public Utilities Commission and California Energy Commission.



#### Climate-smart, resilient infrastructure

Western Regional Partnership (WRP) webinar 12.8.2020

Jana Ganion, Sustainability and Government Affairs Director <a href="mailto:jganion@bluelakerancheria-nsn.gov">jganion@bluelakerancheria-nsn.gov</a>



A Federally Recognized Tribal Government





#### Blue Lake Rancheria Tribe

- Federally recognized tribal government; nation; community
- Federally recognized 1908; terminated 1958; restored 1983
- Governed by elected, five-member Council
- ~100 acres of trust land spanning the Mad River
- Top 10 employers in rural Humboldt County (~400 employees)
- Formed Tribal Utility Authority (2013)

#### Policy and Outreach



- 2020 Pacific Gas and Electric Co. (PG&E) Sustainability Advisory Courten
- 2019 National Congress of American Indians (NCAI) Climate Action Task Force
   Technical Committee
- 2018 Tribal Rep, CA SB 350 CPUC/CEC Disadvantaged Communities Advisory Group
- 2018 U.S. BOEM CA Intergovernmental Renewable Energy Task Force
- 2018 AB 617 CA Air Resources Board Community Air Protection ProgramConsultation Group
- © 2015 CA Integrated Climate Adaptation & Resiliency Program Technical Adv. Council
- 2013 U.S. Dept. of Energy, Indian Country Energy & Infrastructure Working Group
  - Elected Co-chair in 2020



#### Resilience Rationale - Global

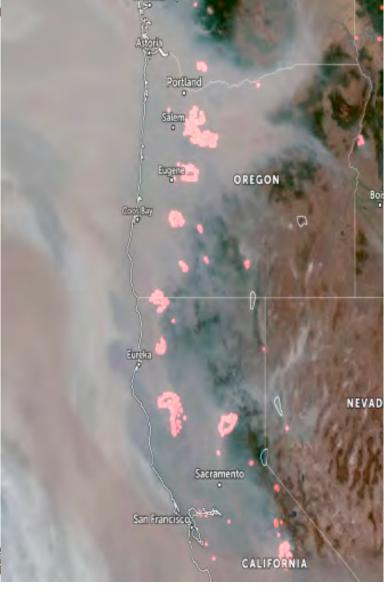
- For resilience planning, we rely on NOAA and NASA climate data
  - Maintain and expand
- 2019: highest ocean temps ever recorded (NOAA)
- 2010-2019: warmest decade ever recorded (NOAA)
- Antarctic & Greenland ice sheets contain ~220 feet of sea level rise (SLR)
  - Melt is early and accelerating (NASA)
- © CO2 concentrations are highest in human history (>415 ppm), and increase is accelerating (NOAA)
- Species die-offs (e.g., pollinators)
- Feedback loops are accelerating
  - Methane hydrates
  - Arctic permafrost melt could release ~1,600 gigatons of CO2; Remaining global budget is ~360 gigatons (NatGeo)



- Global climate change amplifies local conditions
- Extended "severe" drought
- Unpredictable, volatile weather, extreme storms
  - Arcata, CA 'rain bomb' 9/2019: ~2" in 30 minutes
- Nuisance power outages are common, but worsening
  - One in November 2019, One in January 2020 (entire county)
  - Rolling outages in Aug/Sept 2020
    - Due to grid stress and historic heat waves across the western US.
- "Public Safety Power Shutoffs" (PSPS)
  - Planned outages to prevent wildfires from electrical grid
  - Projected to last 2-10 days; two PSPS events in Oct. 2019, one in Sept. 2020
- Increased wildfires and air pollution







#### Resilience Rationale - Local

- Landslides
- **Floods**
- Disruption of local supply chains
  - Food
  - Diesel / gas / propane
    - Can't rely solely on liquid fuels
- Sea Level Rise (SLR)
  - Humboldt County has fastest SLR on the Pacific Coast
  - Impacts to local power plants and other infrastructure
  - Threatens local nuclear radioactive waste repository



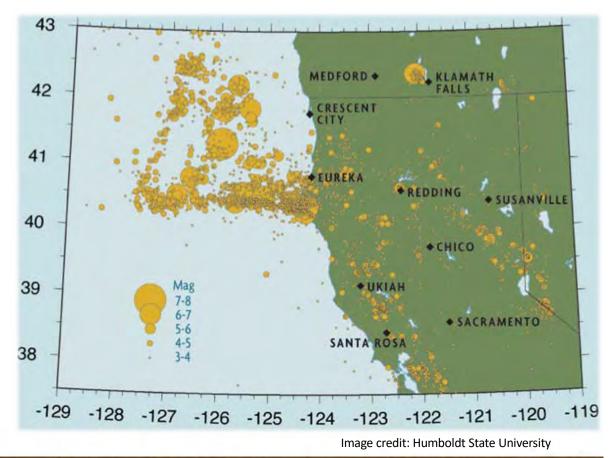


Simultaneous landslides across two (of three) main highways to the region. Photo credit: CalTrans



#### Resilience Rationale - Local

- Cascadia Subduction Zone, Mendocino Fault, and Gorda/Pacific/North American plates converge at 'triple junction' offshore
- Serious earthquake / tsunami risk
  - Can achieve >9.0 earthquake
- Entire Pacific Coast can be simultaneously impacted
  - Due to relatively low population, our region may be lower priority for emergency response



#### Climate-smart Resilience Strategy

- Pairing climate mitigation + adaptation
  - Avoid making underlying causes of disasters worse
  - Transition to climate-smart infrastructure ASAP
- "Lifeline Sector" Priorities
  - **Energy**: efficiency + microgrids; energy supports all lifelines
  - Water: smart water grid (super efficient, monitoring tech, emergency water supplies)
  - **Transportation**: electric fleets; charging stations; biodiesel manuf.
  - **Communications/IT**: broadband, emergency communications
  - **Food**: increase nutrition; onsite production
- When these are done well, social, economic, environmental benefits result.







#### Microgrids at Blue Lake Rancheria



- Began decarbonized resilience solutions w/ energy
- Mini electrical grids; can operate connected to the larger grid or "islanded"/ disconnected from the grid to generate and use their own power.
- In business as usual, microgrids:
  - Reduce and levelize the operational costs of energy
  - Lower carbon and pollutant emissions
    - Depends on generation type(s)
  - Ride through nuisance power outages
- In emergencies microgrids support lifeline sectors

#### Community-scale Microgrid

- Public/private partnership
  - Blue Lake Rancheria, Schatz Energy Research Center, Humboldt State Univ., California Energy Commission, PG&E, Siemens, Tesla, CPUC, Idaho National Laboratory, many others
    - Funded by the Tribe and a CEC EPIC R&D grant
- Powers a central campus
  - Tribal government offices
  - **Economic enterprises**
  - Emergency operations center(s)
    - American Red Cross shelter
  - Critical infrastructure, lifeline sectors, EV charging
  - Can seamlessly island from and reconnect to grid
- Low-carbon power: solar + storage
  - 420kW (AC) solar PV
  - 1MW / 2MWh battery storage
  - Legacy diesel generators (only used in emergencies)



#### Facility-scale Microgrid "Solar+"





Photo:

- Public/private partnership
  - Blue Lake Rancheria, Schatz Energy Research Center, Humboldt St. Univ., PG&E, SunPower, Tesla, CEC, Lawrence Berkeley National Lab, others
  - Funded by the Tribe and a CEC EPIC R&D grant
- Powers fuel station / convenience store complex and EV charging
- Creates a replicable, low-carbon 'resilience package'
- Solar PV (60kW) + battery storage (106kw/169kwh) clean energy
- Can island from, and reconnect to, the larger grid
- Advanced building controls efficiency, demand response, balance
- In emergencies:
  - Supply lifeline sectors to public; emergency responders
  - Important where these types of facilities are the only community resource (e.g., in rural areas)

#### Climate-smart infrastructure is working

- Public Safety Power Shutoff (PSPS) 10/9/19
- Served over 10,000 people (~10% of the county)
- Supplied general public & response agencies
  - Power
    - Provided critical medical housing in hotel
    - Communication device charging
    - © Electric Vehicle (EV) charging
  - Fuels (electricity, gas, diesel, propane)
  - Supplies (ice, water, food)
  - Internet access, cellular connection, ATMs
    - Fuel for local clinic to keep medicines cold
  - Community Support Center | Business Center
    - Times-Standard regional paper of record published onsite
- The PSPS apparently did its job no wildfires
- The microgrids did their job regional support







#### Wildfire Outage Reflections

- Outages were relatively short in Humboldt County but still caused damage
  - Utilities/agencies worked to limit scope, appreciated given severe, fast-changing weather
  - If outages would have lasted longer, there would have been other issues
    - Cellular / internet communications outages (started to fail at the 24 hour mark)
      - Impacts emergency communication, and electrical grid controls that require internet connectivity
    - Water/wastewater systems
    - Further economic and social disruption
- Tribe's resilience worked; was well-received
  - Increased interest in microgrids
    - Focus on overlap of telecom/energy
    - Focus on overlap of transportation/energy
- PSPSs predicted for the next decade or longer



#### Microgrids as Solutions

- Microgrids' stacked benefits
  - Resilience, jobs, GHG and pollution reduction
- How are microgrids valued; how do we fund them?
  - Business as usual and emergencies; local and regional resilience benefit
  - Value of zero carbon energy and electrified transportation
  - Value of resilience and resource adequacy
- Microgrid knowledge transfer
  - Avoid inappropriate tech, increase standardization; lower capital/O&M costs
  - Continued R&D; new projects equity investment, critical sites (e.g. airports)
- How to best manage microgrids?
  - Ensure safety and broad grid ecosystem benefits
  - 24/7 emergency response and O&M (electricians, IT)
  - Inter-jurisdictional issues, interconnection policy lag
  - Increase regional expertise/capacity; regional utility owned and operated?
- Microgrids vs. sectioning/segmenting the grid
  - Enable more cost effective generation/storage; centralize grid balancing





#### Other Solutions



- **Energy efficiency** 
  - New tech, codes and standards, product knowledge, workforce dev.
- Fuel switching
  - Natural gas to electricity; Gas/diesel to electricity
- Wind energy offshore <a href="http://schatzcenter.org/wind/">http://schatzcenter.org/wind/</a>
- Redesign existing infrastructure
  - Repurpose aging/unsafe plants' electrical connections
  - Decommissioned natural gas pipelines used for ?
- Carbon sequestration; food sovereignty
- New climate-smart economy
  - Toma Resilience Campus (at BLR)
- New financial strategies
  - De-silo hazard mitigation and core infrastructure investments
  - Apply climate factor
- New partnerships
  - Tribes, states, DOD, DHS, aligning missions, goals, outcomes



Blue Lake Rancheria and Grid Alternatives partner on solar workforce training at Navajo Nation.

Nov. 5, 2020.

Photo credit: Grid **Alternatives** 

# Final Thoughts

- Tribe seemed to arrive "just in time" with appropriate resilience for disasters
- Due to effective governance, planning, partnerships, investment, and deployment
- Tribe's strategy centering climate crisis, pairing mitigation + adaptation has worked
  - Climate science, data, and models are proving correct, and conservative
  - Working within a decarbonization strategy achieves stacked benefits immediately and over the long term
- Tribe is creating a manageable, just transition to a climate-smart community



#### **Select Resilience Recognition**

2019 "Green Power Leadership Award (Direct Project Engagement)" U.S. EPA 2019 "Microgrids for Greater Good Award (Grid-Connected)" Microgrid Knowledge 2018 "Project of the Year (DER Integration)" POWERGRID International, DistribuTECH 2017 "Whole Community Preparedness Award" FEMA

2015-2016 "Climate Action Champion" White House and U.S. Department of Energy



# Further Reading

- Washington Post article on microgrid and resilience: https://www.washingtonpost.com/climate-solutions/2020/01/01/amid-shut-off-woesbeacon-energy/?arc404=true
- Technical reports on microgrids: https://ww2.energy.ca.gov/2019publications/CEC-500-2019-011/CEC-500-2019-011.pdf and https://ww2.energy.ca.gov/2018publications/CEC-500-2018-022/CEC-500-2018-022.pdf
- T&D World article on microgrid: https://www.tdworld.com/grid-innovations/smart-grid/article/20971186/microgrid-serves-multiplepurposes
- Reasons to be Cheerful article on Blue Lake Rancheria resilience: https://reasonstobecheerful.world/power-struggle/
- NOAA Climate Website: https://www.noaa.gov/climate
- National Security Implications of a Changing Climate: https://obamawhitehouse.archives.gov/sites/default/files/docs/National Security Implications of Changing Climate Final 051915.pdf
- Intergovernmental Panel on Climate Change Special Report: https://www.ipcc.ch/sr15/
- United Nations Environment Programme Emissions Gap Report (2019): https://wedocs.unep.org/bitstream/handle/20.500.11822/30798/EGR19ESEN.pdf?sequence=13
- Rhodium Group Climate Risk Data: https://rhg.com/impact/climate-risk/



## Lizana Pierce

Senior Engineer, Project Officer, and Deployment Supervisor U.S. Department of Energy (DOE) Office of Indian Energy Policy and Programs



- Serves as the principal engineering expert for the Director and Deputy Director, responsible for implementing the Office's Deployment Programs: Technical Assistance; Financial Assistance; and Education and Capacity Building.
- Previously, project manager for the Tribal Energy Program under DOE's Office of Energy Efficiency and Renewable Energy and worked in several of the research and development programs at DOE, including the solar, wind, and biomass programs.
- More than 25 years' experience in energy technologies, project development, and management, 20 of those years assisting Indian tribes in developing energy resources and building human capacity
- Before joining DOE, held a number of engineering positions in the defense and aerospace industries and involved in the integrated science payload flown on the Tethered Satellite Shuttle Mission (STS-46).
- B.S., Mechanical Engineering, Colorado State University; pursued M.B.A. through the University of Northern Colorado.

## **DOE OFFICE OF INDIAN ENERGY**

# **DOE Indian Energy Program Overview**

Lizana Pierce, Senior Engineer, Project Officer and Deployment Supervisor





# **Department of Energy**

## **Mission**

Ensure America's security and prosperity by addressing its energy, environmental and nuclear challenges through transformative science and technology solutions.







# Office of Indian Energy



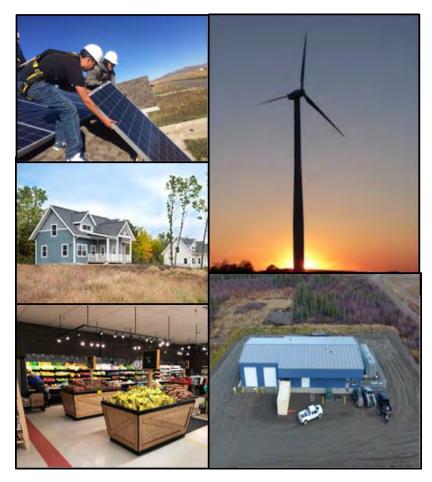
Authorized under the Energy Policy Act (EPAct) of 2005 and charged by Congress to:

- (1) promote Indian tribal energy development, efficiency, and use;
- (2) reduce or stabilize energy costs;
- (3) enhance and strengthen Indian tribal energy and economic infrastructure relating to natural resource development and electrification; and
- (4) **bring electrical power and service to Indian land and the homes** of tribal members located on Indian lands or acquired, constructed, or improved (in whole or in part) with Federal funds."



# **Program Mission**

To maximize the development and deployment of strategic energy solutions that benefit tribal communities by providing American Indians and Alaska Natives with the knowledge, skills, and resources needed to implement successful strategic energy solutions.



Clockwise from top right: **Seneca Nation's** (NY) 1.5 MW wind turbine, **Fort Yukon's** (AK) combined heat and powerhouse, **Coeur d'Alene Tribe's** (ID) Benewah Market energy efficiency project, **Sokaogon Chippewa Community** (WI) Housing Project, and **Chippewa Cree Tribe's** (MT) Residential Solar.



# **ICEIWG**

The Indian Country Energy and Infrastructure Working Group (ICEIWG) works collaboratively with the DOE Office of Indian Energy to assist in surveys, analysis, and recommendations related to program and policy initiatives that fulfill DOE's statutory authorizations and requirements.



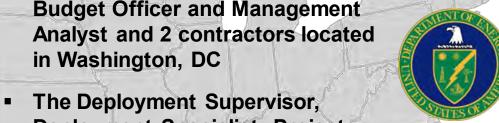
May 2018 ICEIWG meeting at Sandia National Laboratories



## **Meet the Team**



- **Consists of 9 Federal employees** and 8 contractors
- The Director, Senior Advisor, **Budget Officer and Management** in Washington, DC
- The Deployment Supervisor, **Deployment Specialist, Project** Officer, 6 contractors, and financial assistance support through the DOE Golden Field Office.
- **AK Senior Policy Advisor and** engineer duty-stationed in Alaska.







# **Deployment Program**



#### **Financial Assistance**

We facilitate access energy project development through financial assistance (competitively awarded grants).



#### **Technical Assistance**

We provide federally recognized Indian tribes, including Alaska Native villages, regional and village corporations, tribal energy resource development organizations, and other tribal groups and communities, with technical assistance to advance tribal energy and infrastructure projects.



## **Education and Capacity Building**

Thorough regional workshops, webinars, and college student internships, we support tribal efforts to build internal capacity to develop energy projects and navigate energy markets.

# Invested nearly \$85 million in more than 180 tribal energy projects valued at over \$180 million (2010-2019)





# **Tribal Energy Investment Transparency**

## Online Tribal Energy Projects Database

- **Project Map (Interactive Map)**
- **Project Database (Sortable)**
- **Project Successes**
- **Project Summaries** 
  - **Annual Presentations**

PROJECT SUCCESSES

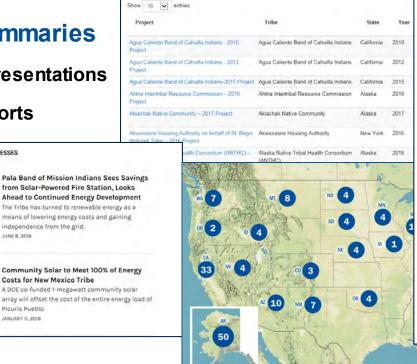
independence from the grid.

Costs for New Mexico Tribe

Picuris Pueblo

JANUARY 11, 2018

**Final Reports** 







Can Solar Work in Alaska? Hughes Village

bones of a 120-kilowatt solar photovoltaic system

The Native Village of Hughes just installed the

The Confederated Tribes of the Umatilla

Indian Reservation Trap the Sun to Offset

The Tribe turned a strip of its land in Oregon into

nearly \$12,000 in annual energy cost savings.

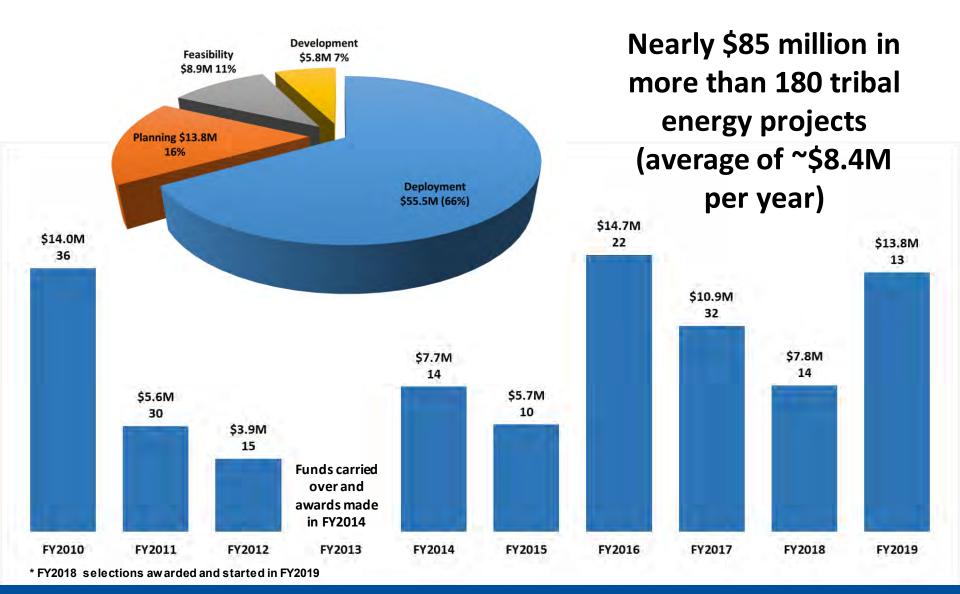
that will cut diesel use and costs.

FEBRUARY 6, 2019

**Energy Costs** 

AUGUST 27, 2018

# Financial Assistance Investments (All States, 2010-2019)



# **Tribal Energy Successes**



Clockwise from top right: Seneca Nation's 1.5 MW turbine (2017) (NY); Rosebud Sioux (SD) solar system on low-income home (2016); Chaninik Wind Group (AK) thermal stove install (2013); Southern Ute (CO) 1.3 MW Oxford Solar Project (2017).; Huslia Tribal Council's (AK) Biomass Project (2018); and Nunamiut people of Anaktuvuk Pass (AK) energy efficiency measures (2013).



## **Financial Assistance**

# Competitive Process (2010-2019)

- 16 Funding Opportunity Announcements (FOAs) issued (Includes FOA's issued in 2009 for award in 2010)
- Accepted a total of 610 applications, valued at \$625 million
- Funded 95% of all meritorious applications (Total of 186 out of 196)
- Funded ~30% of all applications received (186 out of 610)
  DOE average is ~5 to 10%

## All Funds Awarded through a Competitive Process

The Office of Indian Energy has primarily fulfilled the requirements under 42 U.S.C. § 7144e by providing cost shared federal funding to Indian tribes and tribal entities through competitive financial assistance awards.



# **2020 Funding Opportunity – Topic Areas**

## **Energy Technology Deployment on Tribal Lands – 2020**

Funding opportunity Announcement (FOA) Number: DE-FOA-0002317

- 1) Install energy generating system(s) and energy efficiency measure(s) for Tribal Building(s) (Topic Area 1); or,
- Deploy community-scale energy generating system(s) or energy storage on Tribal Lands (Topic Area 2); or,
- 3) Install integrated energy system(s) for autonomous operation (independent of the traditional centralized electric power grid) to power a single or multiple essential tribal facilities during emergency situations or for tribal community resilience (Topic Area 3); or,
- 4) Deploy energy infrastructure and integrated energy system(s) to electrify Tribal Buildings (Topic Area 4).

# **Applications Due February 11, 2021**



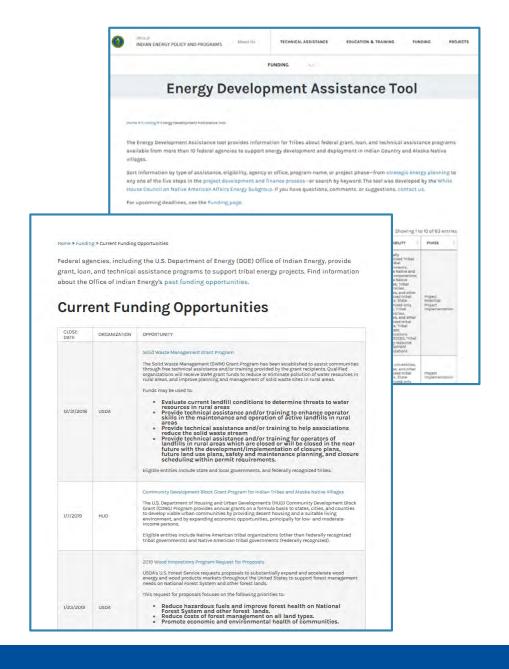
# **Funding Resources**

## Energy Development Assistance Tool

Information for Tribes about federal grant, loan, and technical assistance programs available from more than 10 federal agencies to support energy development and deployment in Indian Country and Alaska Native villages

- Current Funding Opportunities
   List of open tribal energy related
   funding opportunities from federal
   agencies and other sources
- Ongoing Opportunities
   Links to ongoing technical assistance, grant, loan and loan guarantee programs

http://energy.gov/indianenergy



## **Technical Assistance**

The goal of technical assistance is to address a specific challenge or fulfill a need that is essential to a current project's successful implementation.

The intended result of this technical assistance is a tangible product or specific deliverable designed to help move a project forward.

http://energy.gov/indianenergy

"This is government money well spent. This assistance is helping our people afford to live in the village. Thank you!"

## **Types of Technical Assistance**



**Technical Analysis** 



**Financial Analysis** 



Strategic Energy Planning

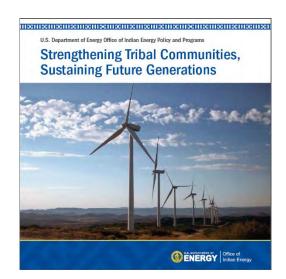
## Resources

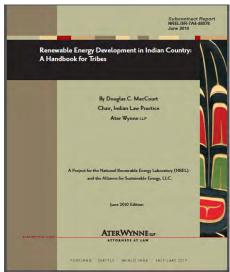
## Information Resources

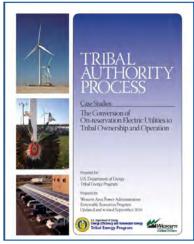
- Energy Resource Library
   Provides links to helpful resources for tribes on energy project development and financing on tribal lands. The library includes links to topically relevant publications, websites, videos, and more.
- Curriculum Foundational and Advanced Courses
   Educational webinars on strategic energy planning, project development, resources technologies, and advance concepts such as business structures and financing

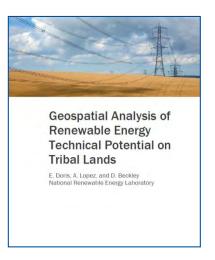
## Workshops & Webinars

- Monthly Webinars
   Monthly webinars provide foundational information, resources and case studies
- Periodic Workshops
   Workshop on specific topics









http://energy.gov/indianenergy

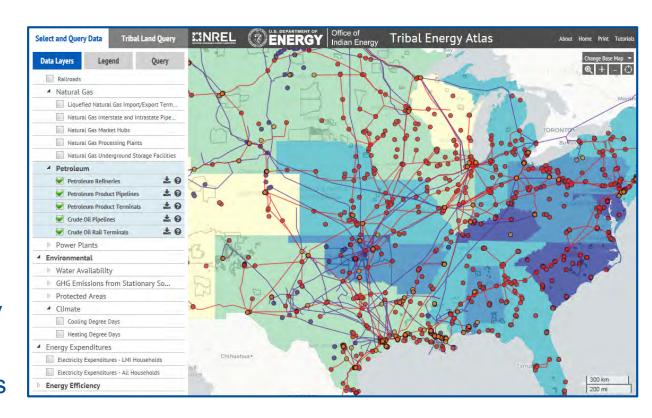


# **Tribal Energy Atlas**

# Includes the most current technical and economic tribal energy potential estimates

## Includes:

- Energy resource data
- Infrastructure information
- Environmental information
- Energy efficiency
- Electricity and natural gas prices



To access, see the Indian Energy website at <a href="https://www.energy.gov/indianenergy">www.energy.gov/indianenergy</a>



# **Tribal Energy Successes**







Clockwise from top right: Oneida Nation (WI) installed 800 kilowatts of solar photovoltaic for 6 buildings (November 2017), in the lower right, Alaska Village Electric Cooperative, Inc. (AVEC) and Bethel Native Corporation's (BNC)'s "Bethel Wind Energy Construction Project" to benefit the communities of Bethel and Oscarville, AK (September 2018), in the center at the bottom, Fort Yukon's (AK) combined heat and powerhouse as compared to their old powerhouse above, On the left top, Alaska **Native Tribal Health Consortium (AK)** upgraded sanitation facilities in Selawik reducing expenses by 32% (2016), and in the middle on top, NANA Regional Corp. (AK) working with the villages of Buckland, Deering, and Kotzebue to install solar (2018)







# Assisting Tribes Achieve Their Energy Vision



Clockwise from top right: **Nunamiut people** of Anaktuvuk Pass (AK); **Assiniboine & Sioux Tribes** (MT); **Picuris Pueblo** (NM); **Tonto Apache Tribe** (AZ); **Chaninik Wind Group** (AK); **Assiniboine & Sioux Tribes** (MT); and in the center, **Pueblo of Laguna** (NM).



# Lizana Pierce, Deployment Supervisor

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# Mr. John Lushetsky Senior Advisor DOE Loan Programs Office

- Responsible for leading and advising on outreach initiatives to leverage the program's \$40 billion in lending capacity for energy projects
- More than 30 years' executive experience in commercial, government and military programs for the development and financing of energy and other advanced technologies.
- Member of the U.S. Government's Senior Executive Service
- Number of leadership positions within the Department of Energy and the Department of Defense.
- MBA, International Business, George Washington University, M.S. and B.S., Engineering Science, University of Florida





# DOE LOAN PROGRAMS

Supporting Tribal Energy Innovation and Self-Determination

Tribal Resilient Energy Infrastructure Webinar

John Lushetsky
Senior Advisor

**December 8, 2020** 

# Financing American Energy Infrastructure

# The Department of Energy's Loan Programs Office (LPO)

was established for borrowers seeking access to debt financing for energy infrastructure projects.

With over \$40 billion in available debt capital, LPO programs finance high-impact projects and first-time commercializations, partnering with borrowers to customize deal structures.



#### **Access to Debt Capital**

that private lenders cannot or will not provide.



## Flexible Financing

customized for the specific needs of individual borrowers.



#### **A Committed Partner**

offering expertise to borrowers for the lifetime of the project.

# \$40 Billion in Available Debt Capital

LPO offers project financing across energy sectors through three distinct loan programs.

## **TELGP**

**Partial Loan Guarantees** 



Tribal Energy Projects

Up to \$2 Billion Available



## TITLE 17

Innovative Energy Loan Guarantees



Advanced Fossil Energy \$8.5 Billion Available



Advanced Nuclear Energy \$10.9 Billion Available





Renewable Energy & Efficient Energy
Up to \$4.5 Billion Available



ATVM Direct Loans



Advanced Technology Vehicle Manufacturing \$17.7 Billion Available







# **Tribal Energy Projects**



**Up to \$2 Billion** in Partial Loan Guarantees Available

LPO supports all-of-the-above energy development projects and activities through its Tribal Energy Loan Guarantee Program (TELGP)

## **Financing**

LPO provides access to debt capital for tribal ownership of energy projects and activities that support economic development and tribal sovereignty.

## **Eligibility**

#### LPO can consider tribal energy projects that:

- 1. Are owned by a tribe or entity that is majority tribally owned and controlled.
- 2. Are located in the U.S. (project may be single site or distributed portfolio and on non-tribal land).
- 3. Are financially viable borrower will be required to invest equity in the project.
- 4. No innovation requirement, though projects employing commercial technology are preferred.

## **Technologies**

# Technology areas of interest include, but are not limited to:

- Fossil Energy
- Renewable Energy
- Transmission Infrastructure & Energy Storage
- Transportation of Fuels



# Offering Flexible Financing Solutions

LPO can provide affordable, custom financing to meet the specific needs of individual borrowers.

- ✓ Loan Type | Partial guarantee of up to 90% of commercial debt.
- ✓ Competitive Pricing | Pricing negotiated by lender and borrower; partial guarantee includes a risk-based fee.
- ✓ **Long Tenor** | Tenor of up to 30 years or 90% of projected useful life of assets financed.
- ✓ **Flexible Deal Structures** | Structures may include project finance, structured corporate, corporate or warehousing lines.
- ✓ **Debt Amount Determination** | Debt amount based on credit profile, business plan, technology, cash flows, project risk allocation and other relevant factors.
- ✓ Acquisition Financing | May be eligible if the substantial improvement or modification of existing facilities is involved.
- ✓ Viability Standard | Emphasis placed on certainty of cash flow to the project during initial financial viability review and during subsequent due diligence.



# Renewable Energy & Efficient Energy

Up to \$4.5 Billion in Loan Guarantees Available



### **Financing**

LPO provides access to debt capital for energy projects using innovative technology when commercial lenders cannot or will not provide financing.

## **Eligibility**

# LPO can consider renewable & efficient energy projects that:

- 1. Use innovative technology.
- 2. Reduce, avoid, or sequester greenhouse gas emissions.
- 3. Are located in the U.S.
- 4. Provide reasonable prospect of repayment.

## **Technologies**

# Technology areas of interest include, but are not limited to:

- Advanced Grid Integration & Storage
- Advanced Hydro and Pumped Hydro Storage
- Alternative Fuel Vehicle Infrastructure
- Distributed Energy Projects
- Efficiency Improvements
- Offshore Wind & Related Infrastructure
- Waste-To-Energy



# Offering Flexible Financing Solutions

LPO can provide affordable, custom financing to meet the specific needs of individual borrowers.

- ✓ **Loan Type** | Direct loan from U.S. Treasury's Federal Financing Bank (FFB) backed by 100% DOE guarantee or DOE partial guarantee of commercial loans.
- ✓ **Affordable Debt** | Senior secured, fixed or floating rate debt.
- ✓ **Competitive Pricing** | Equal to U.S. Treasury-equivalent yield curve plus a credit risk premium, typically ranging from 37.5 to 200 basis points.
- ✓ **Long Tenor** | Tenor of up to 30 years or 90% of projected useful life of assets financed.
- ✓ **Flexible Deal Structures** | Structures may include project finance, structured corporate, corporate or warehousing lines.
- ✓ DOE Role | Can serve as sole lender or as a co-lender.
- ✓ **Debt Amount Determination** | Debt amount based on credit profile, business plan, market risk, technology, cash flows, project risk allocation and other relevant factors, up to 80% of total project costs.
- ✓ **Viability Standard** | Emphasis placed on certainty of cash flow to the project during initial financial viability review and during subsequent due diligence.





# **Let's Talk About Your Project**

Contact LPO to see what financing options may be available for your project:



Call or write to schedule a no-fee, pre-application consultation: 202-586-8336 | Ipo@hq.doe.gov



Learn more about LPO and all of its lending programs at: **energy.gov/LPO** 

## John Lushetsky

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# Western Regional Partnership

Reliable Outcomes for America's Defense, Energy, Environment and Infrastructure in the West

wrpinfo.org