

Federal Funding Opportunities

Consumer-Owned Utilities

Maintaining and Enhancing Hydroelectricity Incentives

The U.S. Department of Energy is accepting letters of intent and applications to provide incentive payments for capital improvements directly related to improving grid resilience (including the addition of energy storage such as reservoir capacity, pumped storage hydropower, and batteries) and dam safety, and related to environmental improvements.



Eligible applicants are limited to: “An owner or authorized operator of an existing facility that is licensed or has received an exemption from licensing from FERC pursuant to the Federal Power Act (16 U.S.C. 791a et seq.) or is a hydroelectric project constructed, operated, or maintained pursuant to a permit or valid existing right-of-way granted prior to June 10, 1920, or a license granted pursuant to the Federal Power Act prior to November 15, 2021, may apply for incentive payments for maintaining and enhancing its facility.”

- ▶ <https://www.energy.gov/sites/default/files/2023-05/Section-247-Guidance-for-2023.pdf>

Bipartisan Infrastructure Law Energy Improvement in Rural or Remote Areas Fixed Award Grant Program

The US DOE seeks applications for fixed award projects that benefit rural or remotes areas in resilient clean energy objectives such as installations of microgrids, substation improvements, and energy-efficiency improvements for community owned buildings. A rural or remote area under this program is defined as a “city, town, or unincorporated area that has a population of not more than 10,000 inhabitants.”

This Funding Opportunity Announcement (FOA) will provide \$50 million in total awards ranging from \$500,000 to \$5 million and is open to state and local government entities; Indian Nations (DOE Order 144.7, 7.a); non-profit entities; for-profit entities; institutions of higher education; and consortia.

- ▶ <https://oced-exchange.energy.gov/FileContent.aspx?FileID=52d952a3-c84d-4e1f-8ce3-a2ce090198eb>

Empowering Rural America (New ERA)

Beginning on July 31, 2023, the U.S. Department of Agriculture will open an application process starting with letters of interest for a new program that will distribute \$9.7 billion in funding under the Inflation Reduction Act.

As stated by USDA, “Funds can be used to make energy efficiency improvements to eligible generation and transmission systems, to purchase, build, or deploy renewable energy, zero-emission systems, carbon capture storage systems, or to purchase renewable energy. The New ERA program is designed to be flexible. The program prioritizes greenhouse gas reductions rather than requiring the use of specific

technologies.” The program offers both loans (with fixed interest rates as low as 2%) and grants for qualifying projects and entities.

Entities eligible to receive this funding include: 1) existing or former USDA Rural Utilities Service borrowers; 2) borrowers of the former Rural Electrification Administration; 3) rural electricity cooperatives that serve predominately rural areas; and 4) wholly or jointly owned subsidiaries of rural electric cooperatives.

- ▶ <https://www.rd.usda.gov/sites/default/files/RD-FS-RUS-NewERA-FINAL508.pdf>

Powering Affordable Clean Energy (PACE)

Beginning on June 30, 2023, the USDA will accept letters of interest for a new \$1 billion program that provides loans — portions up to 60% which may be forgivable — to finance wind, solar, hydropower, geothermal, or biomass renewable energy projects and related energy storage.

These loans are available to eligible applicants “that generate electricity for resale to residents in both rural and nonrural areas. However, at least 50% of the population served by your proposed energy project must live in communities of 20,000 or fewer.”

Eligible entities include: 1) corporations, states, and territories, along with their subdivisions and agencies; 2) municipalities; 3) utility districts; 4) cooperatives; 5) non-profits; 6) Indian Tribes; 7) Alaska Native, regional, or village corporations; and 8) limited liability companies or other for-profit entities organized under the laws of any U.S. state or territory.

- ▶ https://www.rd.usda.gov/sites/default/files/RD-FS-RUS-PACE_FINAL508.pdf

