Fact Sheet

Electric Co-ops: Leveraging Federal Funding to Benefit Communities

Overview

- America's electric cooperatives are finding innovative ways to leverage the historic infrastructure funding provided by the 2021 bipartisan infrastructure law and 2022 Inflation Reduction Act.
- From grid resilience and microgrids, to wildfire mitigation and carbon capture, the co-op projects receiving funding are as diverse as the co-ops developing them.
- NRECA is leading the development of resources, toolkits and consortia to ensure that co-ops have the support they need to submit the strongest possible applications.

Background

The 2021 bipartisan infrastructure law and the 2022 Inflation Reduction Act included significant investment and funding opportunities for electric cooperatives and the communities they serve. Electric co-ops across the country are finding innovative ways to leverage this historic funding to ensure energy reliability, enhance resilience and empower their members and communities.

As of February 2024, 60 electric cooperatives across 26 states have been selected to receive over $1 billion in bipartisan infrastructure law funding. And electric co-ops secured important policy wins in the IRA that gave co-ops direct access to energy tax incentives, created a new $9.7 billion grant and loan program at the Department of Agriculture designed specifically for electric co-ops to invest in clean energy, and funded the Powering Affordable Clean Energy program through USDA Rural Development's Rural Utilities Service.

Grid resilience, microgrids, wildfire mitigation, carbon capture, broadband deployment – the projects receiving funding are as diverse as the co-ops developing them. And they're not doing it alone. NRECA is leading the development of resources and toolkits to ensure that co-ops submit the strongest possible applications. And in the spirit of cooperatives helping cooperatives, NRECA has established five consortia in areas where many electric cooperatives are working toward similar goals and where collaboration could help secure funding.

Below are some examples of how electric co-ops are using this funding to benefit their members and communities.

Building Resilient Communities

From wildfire threats to destructive storms, America's electric co-ops face numerous and growing challenges in keeping the lights on. Federal funding is helping these co-ops harden the grid and build more resilient communities.

- **Wildfire Assessment and Resilience for Networks:** This project – led by Holy Cross Energy and supported by nearly $100 million in federal funding – will use advanced analysis to reduce wildfire risks in 38 areas served by co-ops in 16 states.
- **Mora-San Miguel Electric Cooperative:** An $11.3 million grant will help this New Mexico electric co-op launch a wildfire mitigation program to harden its system and quickly recover from outages.
- **Missoula Electric Cooperative:** This Montana electric co-op was chosen to pursue $9.7 million in federal grants to run high-risk transmission lines underground, improve weather monitoring and install state-of-the-art technology that allows employees to respond remotely and in real time.

- **SECO Energy:** This Florida co-op will use a nearly $53 million federal grant to bury more power lines and replace wooden power poles with concrete or steel, strengthening its system against tropical storms and hurricanes. It also will build a new substation.
- **Gunnison County Electric Association:** This Colorado co-op will use a $5 million grant to replace 30 miles of overhead power lines to improve grid reliability and resilience and reduce outages due to extreme weather. The project will also reduce the threat of wildfire and help integrate renewable energy sources.
- **Randolph Electric Membership Corp.:** A $4.4 million grant will help fund grid improvements, including replacing deteriorating wooden transmission poles with galvanized steel to reduce power outages during extreme weather. The grant will also allow the co-op to partner with North Carolina Electric Membership Corp. to create a transmission apprenticeship program.

Renewable Energy and Microgrids

Electric co-ops are leveraging federal funding to build microgrids to improve grid resiliency and reliability. Many of these projects incorporate solar and wind energy and battery energy storage and provide workforce development opportunities.

- **Microgrids for Community Affordability, Resilience and Energy Decarbonization:** Seven electric cooperatives will negotiate $45.2 million in funding to build microgrids to improve electric reliability and grid resiliency for remote and economically challenged communities.
- **United Power:** $6 million in federal funding will help this Colorado electric co-op build a microgrid with photovoltaic and battery storage to replace an aging diesel generator at the Fort Lupton water treatment plant.
- **Alaska Village Electric Cooperative:** This Alaska co-op will use a $4.3 million grant to install a solar array, battery energy storage system and microgrid to reduce electricity rates and emissions. It will also use the funding to support workforce development.
- **Adams Electric Cooperative:** A $5 million grant will help this Illinois co-op install a wind turbine and solar array to provide power to around 7,500 families in former coal mining communities. The cooperative will also work with local schools on a renewable energy curriculum.
- **Pacific Northwest Generating Cooperative Power:** A $4.9 million grant will help install a battery system at a Ravalli Electric Cooperative substation, which will improve reliability and keep power on at two local fire departments and at a local school in Montana. The project will also provide education, mentoring and job-shadowing opportunities for at-risk young people.
- **Northeastern Rural Electric Membership Corp.** This Indiana co-op is using direct-pay tax credits to invest in utility-scale solar projects and battery storage. The Inflation Reduction Act provided federally tax exempt co-ops the same benefits as investor-owned utilities to develop renewable energy projects.

Connecting Communities

Electric co-ops are using the United States Department of Agriculture's Electric Infrastructure Loan and Loan Guarantee Program to expand electric service in rural areas and to finance generation, transmission, and distribution projects, energy conservation programs and on-grid and off-grid renewable energy systems.

- **Great Lakes Energy Cooperative:** This Michigan co-op received a more than $262 million loan to connect more than 5,000 consumers and build and improve 438 miles of line. The co-op will also install a 2,420-mile fiber backbone communication network.
- **Withlacoochee Electric Cooperative:** A $225 million loan will allow this Florida co-op to connect more than 18,000 consumers and to build and improve 580 miles of line. The project includes 60 miles of fiber cable and communications equipment to connect utility owned and leased facilities.
- **GreyStone Power Corporation:** GreyStone is receiving more than $141 million to connect nearly 11,000 consumers and build and improve 502 miles of line in one of the fastest-growing areas in the nation. The project includes 96 miles of fiber backbone that will connect remote substations to corporate headquarters.
- **Flint Electric Membership Corporation:** More than $104 million in federal funding will help this Georgia co-op install 404 miles of backbone fiber to connect substations, automation devices and capacitor banks. It will also connect 641 consumers and build and improve 115 miles of line.