

May 18, 2022

Submitted electronically via SchoolsRFI@ee.doe.gov

Re: Request for Information on Energy Improvements at Public School Facilities (DE-FOA-0002715)

To Whom It May Concern:

The National Rural Electric Cooperative Association (NRECA) respectfully submits the following comments to the U.S. Department of Energy (DOE) in response to its request for information (RFI) on Energy Improvements at Public School Facilities that has been authorized and will be funded through Section 40541 of the bipartisan infrastructure law (BIL).

NRECA is the national trade association representing nearly 900 local electric cooperatives and other rural electric utilities. America's electric cooperatives are owned by the people that they serve and comprise a unique sector of the electric industry. From growing regions to remote farming communities, electric cooperatives power 1 in 8 Americans and serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape.

Electric cooperatives operate at cost and without a profit incentive. NRECA's member cooperatives include 62 generation and transmission (G&T) cooperatives and 831 distribution cooperatives. The G&Ts generate and transmit power to distribution cooperatives that provide it to the end of line co-op consumer-members. Collectively, cooperative G&Ts generate and transmit power to nearly 80 percent of the distribution cooperatives in the nation. The remaining distribution cooperatives receive power directly from other generation sources within the electric utility sector. Both distribution and G&T cooperatives share an obligation to serve their members by providing safe, reliable, and affordable electric service.

We appreciate the opportunity to provide NRECA's perspective to DOE as it implements Section 40541 of the BIL, which provides \$500 million for grants for energy improvements at public school facilities. The funding provided through this grant program will play an important role in assisting the communities served by electric cooperatives to make important investments in their schools that can help lower their energy costs and improve public health.

For example, there is a great deal of interest among our members and in the communities they serve to transition all or portions of their school bus fleets to zero emission buses to realize significant public health advantages and cost savings over the total life of the vehicles. This new grant program helps overcome one major barrier – the upfront cost of zero emission buses as they are typically three times more expensive to purchase than comparable diesel school buses. The program can also provide important financial support to school districts investing in the necessary charging infrastructure to fuel these new buses. Any funds made available through this grant program are critical resources to school districts with limited budgets to make important investments in the energy usage of their facilities.

We strongly support the BIL's provision in Section 40541 for DOE to prioritize funding for rural or high-poverty schools. Electric cooperatives serve both rural and underserved or disadvantaged communities and thus know well the barriers facing their local school districts to making energy improvements. Cooperatives serve 92% (364 of 395) of the persistent poverty counties in the United States. Our members also have a strong track record of efficiently using their limited resources. On average, electric cooperatives serve eight customers per mile of line and collect annual revenue of approximately \$19,000 per mile; while the other utility sectors average 32 customers and \$79,000 in annual revenue per mile.

The funding provided in this new grant program via the BIL will be an important down payment to ensuring rural communities are not left behind as the U.S. makes important investments in its energy infrastructure. It is important that DOE ensure rural communities will have equitable access to opportunities for energy improvements funded at public school facilities as provided to urban and suburban communities.

Electric cooperatives have valuable experience and insights from partnering with school districts on transitioning to zero emission buses and can play an important education and outreach role in DOE's grant program.

Electric cooperatives can proactively work with local school districts to help them understand potential energy improvements that could be made at their facilities and support them during the application process for this grant program. They can also help school districts evaluate projects based on the costs and benefits of various energy efficiency, renewable or electric school bus investments and help them understand the relationship of the investments to the schools' overall energy usage and costs.

For example, in recent years, electric cooperatives have partnered with school districts interested in transitioning to zero emission buses and have learned important lessons that help make them excellent partners for this grant program.¹ Our members' experiences to date suggest a significant barrier to adoption is education for the school districts. As expected, school officials have important questions about zero emission buses ranging from cost to performance of the vehicles in difficult terrain or weather conditions that must be answered before they are willing to commit to transitioning their fleets. Electric cooperatives can be vital partners in addressing this challenge – by first meeting to understand the school district's goals and then making recommendations about the best ways to achieve them. Often, the school district is the largest customer for the electric cooperative, so there is a pre-existing relationship which serves as a foundation for cooperation.

Electric cooperatives can also work with school districts to explain managed charging options and how rates can be tailored to manage costs for the school districts and avoid charging during peak demand, which could harm reliability on the distribution grid. Working with the electric cooperative closely in the process to evaluate options will ensure that no issues are missed.

¹ For more information, review NRECA's December 2021 report "Here Comes the (Electric) School Bus! Early Experience at Electric Co-ops" at <https://www.cooperative.com/programs-services/bts/Documents/TechSurveillance/Surveillance-Electric-School-Buses-Dec-2021.pdf>

Finally, the upfront cost of zero emission buses remains a major barrier to adoption. Electric cooperatives partnering with school districts thus far have developed creative solutions for this challenge. In many cases, school districts have covered most of the cost differential of the bus via state programs established to distribute Volkswagen (VW) settlement funds. Where these funds were not sufficient to cover the total cost of the bus purchase and associated charging infrastructure, electric cooperatives have stepped in to contribute funding for part of the cost of the new buses and provided the charging infrastructure at no cost to the school districts. In other examples, electric cooperatives have helped to appropriately site and install the charging equipment and associated electric service upgrades. Cooperatives can help school districts understand different ways of leveraging private funds that may be available as they prepare their applications for this grant program.

Electric cooperatives recommend provisions that will help ensure this DOE grant program will serve the needs of rural and underserved communities.

Electric cooperatives will make excellent partners to schools receiving funds through this DOE program as they have the knowledge and expertise to support robust planning and implementation of projects that will ensure federal dollars are expended efficiently, projects appropriately sized to account for current and planned energy needs, and reliability of the electric grid maintained. Involving not-for-profit electric cooperatives in projects funded through the BIL will help to ensure that energy improvements at public school facilities adequately account for reliability and cost considerations, all while being good stewards of federal taxpayer money.

It is important that DOE be inclusive of serving rural and underserved communities in selecting projects funded by this grant program. The program should not inadvertently exclude rural areas by designating “priority” areas for investment that surround urban centers, for example, as has been done in other programs funded outside the federal government. Doing so could risk leaving schoolchildren in these rural communities out of the benefits provided by this grant program.

Additional program considerations that we urge DOE to consider as it implements this grant program include:

- **Provide Flexibility for Energy Audits:** DOE should allow grant funds to be used toward energy audits that electric cooperatives or approved contractors provide as a service to their school districts. This would help school districts secure such objective analysis from a known trusted energy advisor without needing to seek out a third party to perform the audit. Performance based contracting is another important tool for school districts that may not have an energy manager on-staff or a facilities manager equipped to present the data and build the case that the district could benefit from projects envisioned under this program.
- **Encourage Early Utility Coordination:** It is critical that close coordination occur with the local utility, particularly for any renewables or EV charging projects funded under this grant program. Early and often communication with the electric utility will be critical for maintaining grid reliability and managing costs as new loads are added to the system. Applicants to the program should explain how they intend to engage with their utility in their project. Electric cooperatives and other utilities need to be integrated at the very beginning of planning for such facilities by school districts or other applicants to avoid unintended consequences. We understand that DOE is encouraging applicants leverage other sources of funding to maximize

the benefits of \$500 million in federal grants, including utility programs. Electric cooperatives can play a critical role in helping school districts leverage co-op sponsored rebate programs they have available and thus should be consulted early in the process for any planned projects to understand the full range of possibilities within existing programs.

- **Establish a Simple, Uniform Application Process:** DOE should make the application process simple and use a uniform application template or form if possible. Applying to the program should not be overly burdensome or require project partners, including electric cooperatives, to hire consultants to complete the application process. A simple form would help level the playing field for school districts that do not have the financial or staffing resources to pursue grant opportunities such as provided in this program.
- **Identify Potential/Non-Traditional Partners:** We strongly encourage DOE to clearly state and explain to eligible applicants in the program's outreach materials the significant value in partnering with electric utilities, including electric cooperatives, in their states to serve the needs of the communities they serve. It is important that applicants be made aware of the role of electric cooperatives and the value they can bring in successfully implementing the funds from this program, including through their existing rebate programs and energy audit services.
- **Enable Different Types of Partnerships:** Applicants should have the flexibility to design project partnerships using different models that best suit their specific needs. For example,
 - As DOE has identified, applying for federal grants may be more difficult for schools in rural and disadvantaged communities where they lack excess resources to pursue funding opportunities that even if successful come with administrative burdens to carry out the projects. Therefore, DOE should allow organizations such as NRECA, generation & transmission cooperatives, and distribution cooperatives to assist in helping schools access grants.
 - Electric cooperatives interested in partnering on projects funded under this grant program should be eligible to provide some or all of the operation and maintenance (O&M) needs of the charging infrastructure that will support the zero emission buses funded through this grant program, including networking fees and warranties for charging stations; however, they should not necessarily be required to.
- **Provide a Reasonable Cost Share:** DOE makes it clear in the RFI it will prioritize projects that leverage other sources of public and private funding. While we understand the goal to stretch federal dollars as far as possible, every effort should be made to keep cost share requirements reasonable. Not-for-profit electric cooperatives and the rural schools they serve are often unable to participate in federal programs where a cost share is required. DOE should consider fully funding projects for schools in rural and underserved areas or a lower cost share for these schools than others. At a minimum, DOE should keep cost share to no more than 30%. Requiring a higher cost share could disadvantage rural and underserved communities served by electric cooperatives.
- **Do Not Require Integration of Renewable Energy/Energy Storage:** While projects submitted for grant funding with plans to incorporate the use of renewable energy sources to power school bus charging and energy storage may be viewed favorably by DOE, we would strongly recommend that it not be a requirement to receive a grant through this program. Incorporating renewables and/or storage may not be technologically or economically feasible depending on the

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specific circumstances of a school district. As such, the lack of these resources as part of applicants' projects should not preclude them from participating in the grant program.

Summary

Electric cooperatives look forward to partnering with school districts and other applicants through DOE's new grant program funded under Section 40541 of the BIL to support their communities in making energy improvements at their public schools. Electric cooperatives will make excellent partners as they have the knowledge and expertise to support robust planning and implementation of projects that will ensure federal dollars are expended efficiently, infrastructure appropriately sized to account for current and planned energy needs, and reliability of the electric grid maintained. Electric cooperatives are eager to partner on projects funded through this program to ensure that rural communities are not left out of realizing energy cost savings or transitioning to new technologies such as zero emission buses. It is vital that DOE provide rural communities with comparable access as the opportunities provided to urban and suburban communities so all can benefit from the lower costs and public benefits that projects funded under this program can provide.

Thank you for considering our comments. Please contact me at 703-907-5732 if you have any questions regarding these comments.

Sincerely,

Stephanie Crawford

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National Rural Electric Cooperative Association