We strengthen communities

HOUSING HOMELESSNESS
INFRASTRUCTURE
BUSINESS ASSISTANCE
ENERGY
PLANNING
COMMUNITY FACILITIES
CRIME VICTIMS & PUBLIC SAFETY
COMMUNITY SERVICES
Virtual meeting reminders

- The presentation portions of the meeting will be recorded
- Raise your hand, use the chat box and then unmute to ask questions or contribute to the discussion
- If possible, turn on your camera when you are speaking
- Don’t forget to mute yourself when you are not speaking
- Reach out to Queenie Karlik for technical help
Agenda

- Welcome and introductions
- Community agreements and meeting guidelines
- Overview of draft work group charter and schedule
- Clean Energy Fund
  - Past programs
  - Current and future opportunities
- Initial brainstorm
Goals of today’s workshop

• Introduction to the charge of the work group
• Get to know each person in the room
• Learn about the Department of Commerce Energy Division
• Start conversations about rural needs
Introductions

• Please introduce yourself
  • Name
  • Title
  • Organization
  • One sentence overview of your organization’s mission. Put overview in the chat
Community agreements

- Be present!
- Step up, step back
- Respond to and challenge ideas, not people
- Protect confidences: Stories stay, lessons leave
- Avoid jargon, acronyms, and industry language - use inclusive language that is accessible for people with varying inside knowledge
Work Group charge

Section 1064 (14) (a) of 2021-2022 Biennial Capital Budget (SBH 1080)

- $150,000 is provided solely for the department to develop targeted rural clean energy strategies informed by rural community and business engagement, outreach, and research.

- Commerce must convene a Rural Energy Work Group to identify investments, programs, and policy changes that align with the 2021 State Energy Strategy and increase access to clean energy opportunities in rural communities and agricultural and forestry management practices. The group must identify existing federal funding opportunities and strategies to leverage these funds with state capital investment.

- By June 30, 2022, the department shall report recommendations and findings from the rural energy work group to the office of financial management, the governor, and the appropriate legislative committees and present a strategic plan for state rural clean energy investment.
Definition of “Rural” aligns with USDA

• For the purpose of the report, we have agreed to use the definition provided by the U.S. Department of Agriculture’s (USDA) Rural Energy for America Program.

• Per the USDA, “rural” includes any other area than a city or town that has a population greater than 50,000, along with any contiguous and adjacent urbanized area, as defined by the U.S. Bureau of the Census using the latest decennial census of the United States.
Project goals

• The June 2022 report will:
  • Provide recommendations on investments, programs and policy changes that increase access to clean energy opportunities in rural communities and agricultural and forestry management practices.
  • Present a strategic plan for state rural clean energy investment.
Rural Clean Energy Work Group timeline

- Rural Clean Energy Workgroup scoping: JUN – AUG 2021
- Rural Clean Energy Work Group meetings: OCT 2021 – JAN 2022
- Final Strategic Plan Report for Rural Clean Energy Investment due: JUN 30, 2022
Rural Clean Energy Innovation Grants timeline

- Outreach and education: NOV 2021 – JAN 2022
- Dairy Digester Grants: SPRING 2022
- Rural Clean Energy Grants: SPRING 2023
Rural Clean Energy Innovation program timeline

Rural Clean Energy Work Group
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Education and outreach plan

- Tribal engagement
- Public hearing and corresponding public comment period
## RURAL CLEAN ENERGY LEGISLATIVE REPORT

<table>
<thead>
<tr>
<th>TASK DESCRIPTION</th>
<th>TIMING</th>
<th>FOCUS</th>
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<tbody>
<tr>
<td>Kickoff Meeting #1</td>
<td>Early October</td>
<td>Introductory meeting: history of CEF, background, context, proviso,</td>
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<td>roles and responsibilities</td>
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<td>Meeting #2</td>
<td>October/November</td>
<td>Investments, programs and policy changes that align with the 2021</td>
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<td>State Energy Strategy and increase access to clean energy</td>
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<td>opportunities in rural communities and agricultural and forestry</td>
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<td>management practices</td>
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<td>Breakout groups</td>
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<td>Report back, identify emerging ideas and themes</td>
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<td>Meeting #3</td>
<td>November/December</td>
<td>Existing federal opportunities, and recommended strategies for</td>
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<td>leveraging these funds with CEF; review draft recommendations</td>
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<tr>
<td>Meeting #4</td>
<td>December/January</td>
<td>Finalize recommendations and strategic plan</td>
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<tr>
<td>Public comment</td>
<td>January 2022</td>
<td>Opportunity for public comment in response to recommendations from</td>
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<tr>
<td></td>
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<td>work group</td>
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<tr>
<td>Commerce process</td>
<td>February-June</td>
<td>Circulate report for internal review, and for OFM and Governor’s</td>
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<td>office review and processing</td>
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**Public comment**

January 2022

Opportunity for public comment in response to recommendations from work group.
Clean Energy Fund
Background
WASHINGTON STATE 2050

Net-Zero Vision

A blueprint for how we can meet our state’s climate goals to nearly eliminate the use of climate-threatening fossil fuels by 2050, while growing a prosperous economy and maintaining affordable and reliable energy supplies.
Clean Energy Transformation

Legacy grid

Future grid
Clean Energy Fund

- Since 2013, $211M appropriated by legislature
- Competitive grants to develop, demonstrate, and deploy clean energy technologies
- Catalyze public-private collaborations
CEF 1-4 investments

- Direct Appropriation: 22%
- Grid Modernization: 26%
- Grants to NonProfit Lenders: 20%
- RD&D: 16%
- E-Transportation: 7%
- Solar: 3%
- RDD Federal Match: 4%
- SEEP: 1%
- Bioenergy: 1%
- Bioenergy: 1%
Clean Energy Fund projects span Washington

CEF 1
CEF 2
CEF 3
CEF 4
Clean Energy Fund projects span Washington but are concentrated in urban counties.
CEF rural projects vs. non-rural projects

- Rural, 37, 29%
- Non-Rural, 92, 71%
CEF rural vs. non-rural funding

CEF1: $34,831,675.96
CEF2: $38,516,724.00
CEF3: $41,418,890.10
CEF4: $20,154,940.00

Total Funding

CEF Funding Round

- Rural Energy $ Total
- Non-Rural $ Total
Past and Future programs
Previous bioenergy grant programs

- **Energy Division**
  - Forest Products Financial Assistance Program

- **CEF**
  - Wood Energy for Public Facilities
  - Dairy Digester Enhancement Program
## CEF rural opportunities

<table>
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<tr>
<th>Program</th>
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<th>Rural Opportunities</th>
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<tr>
<td><strong>Electrification of Transportation</strong></td>
<td>Providing innovative approaches to electric vehicle charging equipment, with a particular focus on projects that demonstrate meaningful and enduring benefits to communities and populations disproportionately burdened by air pollution, climate change or transportation costs. A portion of CEF 5 funding will be available solely for federally recognized Tribal governments and local government projects addressing electric vehicle charging gaps in rural communities.</td>
<td>$1.9 million (of $2.9 million) for local governments in rural communities and Tribal governments, for projects addressing EV charger gaps in rural communities.</td>
</tr>
<tr>
<td><strong>Grid Modernization</strong></td>
<td>Advancing community resilience by supporting the integration of renewable energy sources, distributed energy resources and microgrids. New with CEF 5 – community organizations, local governments and federally recognized Tribal governments will be eligible to apply in partnership with retail electric utilities.</td>
<td>No carve-out, but increasing focus on grid reliability and community resilience using renewable technologies.</td>
</tr>
</tbody>
</table>
# CEF Rural Opportunities

<table>
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<tr>
<td><strong>Maritime</strong></td>
<td>Decarbonizing the maritime sector through electrifying ferries, vessels and ports, and adding charging and refueling infrastructure.</td>
<td>No carve-out but several projects including CEF 4 Skagit County Public Works Ferry Electrification</td>
</tr>
<tr>
<td><strong>Grants to Non-profit Lenders</strong></td>
<td>Connecting small businesses, non-profits, multi-family building owners and homeowners with low-cost financing for clean energy projects. Grants provided through this program provide funds that help reduce risk and provide inexpensive capital for underserved markets to deploy clean energy projects.</td>
<td>Participating nonprofit lenders can make loans available to: residential, commercial, industrial, and agricultural energy retrofits; residential and community-scale solar installations; and anaerobic digesters to treat dairy and organic waste.</td>
</tr>
<tr>
<td><strong>Building Electrification</strong></td>
<td>Demonstrating grid-enabled, high-efficiency, all-electric buildings that significantly reduce greenhouse gas emissions, accelerate the path to zero-energy and demonstrate early adoption of grid integration technology.</td>
<td>New program! Aligns State Energy Strategy goals for decarbonizing and electrifying buildings. Program under development.</td>
</tr>
</tbody>
</table>
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<td>Research, Development &amp; Demonstration</td>
<td>Supporting strategic research and development for new and emerging clean energy technologies that advance the state's climate goals, create opportunities for economic and job growth, and strengthen technology supply chains. The program is exploring the option of community-based participatory research.</td>
<td>Demonstration projects span rural communities throughout the state. Projects that develop research and manufacturing facilities support workforce development in rural counties.</td>
</tr>
<tr>
<td>Rural Energy</td>
<td>Promoting the development of innovative clean energy projects in rural communities including, but not limited to, beneficial electrification, organic waste management, biological carbon sequestration and dairy digester bioenergy projects.</td>
<td>$4.6 million for rural clean energy grants • $1.84 million for dairy digester bioenergy • $2.8 million for rural energy innovation (including $921,500 carve-out Tribal projects)</td>
</tr>
</tbody>
</table>
Questions
Break

• **Break ends at 2:55pm**
Discussion

• **Breakout:**
  • What do rural communities need irrespective of rural energy?
  • How have these needs changed from previous years with impacts from Covid-19?

• **Breakout:**
  • What do you already know about your community partners and their priorities and needs?
  • Whose voice is not in the room?
Introductions
Next steps

• **Work Group Members:**
  • Complete scheduling poll for next two meetings

• **Commerce:**
  • Distribute summary of meeting notes
  • Post presentation slides and recordings to website
Thank you!

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Appendix
CEF rural energy funding

- CEF1 - Federal Grant Matching Funds: $5,980,225.96
- Rural Energy $ Total: $14,301,450.00
- Non-Rural $ Total: $14,550,000.00
- Total Funding: $19,199,210.00
- CEF2 - Grid Modernization: $12,610,000.00
- Rural Energy $ Total: $12,804,000.00
- Non-Rural $ Total: $12,610,000.00
- Total Funding: $25,414,000.00
- CEF2 - Direct Appropriation: $9,416,724.00
- Rural Energy $ Total: $3,104,000.00
- Non-Rural $ Total: $9,416,724.00
- Total Funding: $12,520,724.00
- Wood Energy Conversion: $388,000.00
- Rural Energy $ Total: $8,827,000.00
- Non-Rural $ Total: $8,827,000.00
- Total Funding: $17,654,000.00
- Electrification of Transportation: $7,643,840.00
- Rural Energy $ Total: $3,710,431.00
- Non-Rural $ Total: $8,354,271.00
- Total Funding: $12,064,602.00
- CEF3 - Grid Modernization: $8,255,512.10
- Rural Energy $ Total: $2,400,000.00
- Non-Rural $ Total: $8,255,512.10
- Total Funding: $10,655,512.10
- Solar Deployment: $750,000.00
- Rural Energy $ Total: $955,730.00
- Non-Rural $ Total: $750,000.00
- Total Funding: $1,705,730.00
- CEF3 - Direct Appropriation: $3,104,000.00
- Rural Energy $ Total: $3,104,000.00
- Non-Rural $ Total: $3,104,000.00
- Total Funding: $6,208,000.00
- Dairy Digester: $750,000.00
- Rural Energy $ Total: $-$
- Non-Rural $ Total: $750,000.00
- Total Funding: $0.00