



May 3, 2022

Re: Business Support for House Bill 22-1013 (Microgrids for Community Resilience Grant Program)

Members of the Senate Transportation and Energy Committee:

On behalf of Advanced Energy Economy (AEE) and the Microgrid Resources Coalition (MRC), we are writing to express our **support** for House Bill 22-1013. This bill is a great step forward for the development of Colorado's microgrid market and will strengthen community resilience. In particular, this legislation will offer the tools to improve energy security in rural communities who may lack access to reliable electric resources or are at a major risk of disasters and severe weather conditions that impact their communities, local infrastructure, and livelihoods. Cooperative electric associations and municipally owned utilities play an important role in these often-underserved communities. The grant program created by HB 1013 will enable cooperative electric associations and municipally owned utilities to better serve their communities' energy reliability needs and goals by funding microgrids for community resilience.

AEE is a national association of businesses that are making the energy we use, secure, clean, and affordable. AEE encompasses a wide range of products and services including energy storage, solar, wind, biofuels, electric vehicles, advanced metering, as well as energy efficiency and demand response. Our industry members also include companies that have made a commitment to power their operations with advanced energy and are working with us to break down the barriers that inhibit them from reaching their sustainability goals. We provide education, engagement, and advocacy in more than a dozen states, wholesale electricity markets, and at the federal level.

The MRC is a national association of leading microgrid owners, operators, developers, suppliers, and investors working to promote the critical role of microgrid technology in clean and resilient energy systems throughout the country. Formed in 2013, the Microgrid Resources Coalition (MRC) is the original non-profit organization of the microgrid industry, comprised of owners, operators, developers, suppliers, and investors working together to promote the widespread implementation of microgrids through laws, regulations, and tariffs that support microgrid access to the market, compensation for services, and a level playing field for deployment and operation. We work for the empowerment of customers and communities nationwide.

AEE and MRC are pleased to see bipartisan support for this bill and more broadly, the universal good that stems from improving grid resiliency for consumers statewide. Microgrids are proven assets that dependably keep the lights on for critical facilities such as hospitals, schools, grocery stores, and community centers, to name just a few. Furthermore, microgrids and local energy generation reduce the risk of overbuilding expensive, climate-vulnerable transmission infrastructure. Streamlined access to microgrid resources is especially impactful for rural communities, especially those grappling with strained public resources and aging grid infrastructure challenging their ability to mitigate the costly impacts of severe weather conditions and grid outages. HB 1013 provides dedicated resources for Cooperative

electric associations and municipally owned utilities to invest in the microgrid infrastructure that is necessary to ensure that they are well positioned to handle future threats to the grid system and allow customers to take greater control over their energy needs.

The \$3.5 million allocated to create this grant program is a reasonable and important use of General Fund dollars, and can be supplemented by both private and federal funds for greater impact. A strengthened focus on attracting private finance and leveraging public-private partnerships will truly maximize the reach and benefits of microgrid projects on a larger scale to ensure Colorado remains a leader in empowering its local communities to drive their energy future. Projects funded in part by HB 1013 will provide real world use cases of successful microgrid deployment in the state that can help inform the examination undertaken by the roadmap process created by HB 22-1249, another microgrid-enabling bill AEE and MRC support. Similarly, Colorado can leverage this grant program to secure federal dollars flowing from the implementation of the Infrastructure Investment and Jobs Act (IIJA). Specifically, this grant program can position utilities to compete for the Smart Grid Investment Matching Program established by IIJA, which has a match requirement (no less than 50% of the total cost of the project) and will start taking applications at the end of 2022.

For these reasons, AEE and the MRC support HB 1013, and stand ready to offer our expertise as Colorado seeks to jumpstart a competitive microgrid market and extend the energy security benefits of these projects to communities across the state.

Sincerely,



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Advanced Energy Economy



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