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Microgrid Policy Overview

9th Annual HOMER Microgrid & Hybrid Power International
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HOMER MICROGRID AND
HYBRID POWER

9TH ANNUAL
INTERNATIONAL







The Current Situation

- Our energy system is **brittle, dirty and inequitable**
- We need **urgency, innovation and cooperation**
- Concerns are not partisan, not ideological...
they are **pragmatic**
- *We deserve more than a collective shrug*

New Strategies Are Required

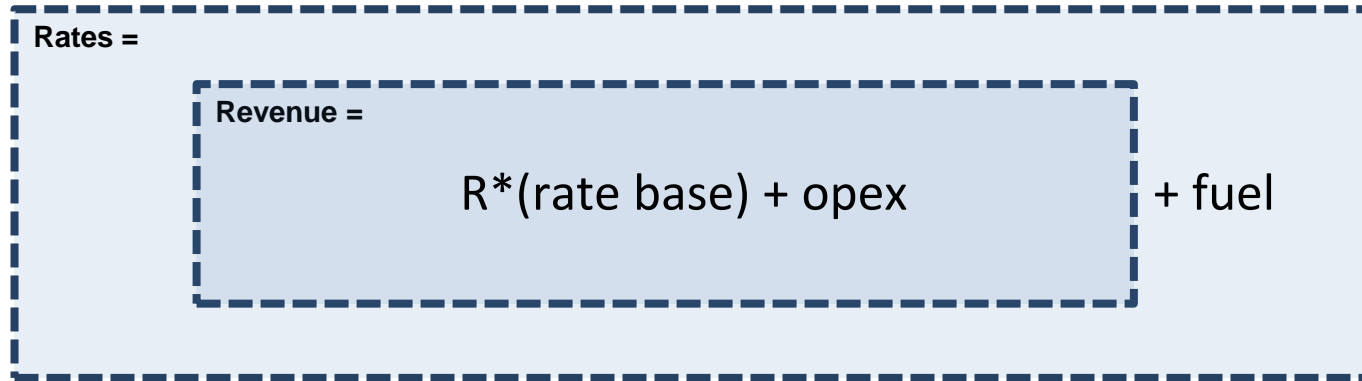


"We just haven't been flapping them hard enough."

- Resilience requires **flexibility** (not more muscle)
- A **false dichotomy** exists between centralized and distributed strategies
- Three goals:
 1. Resilient Energy
 2. Clean Energy
 3. Equity

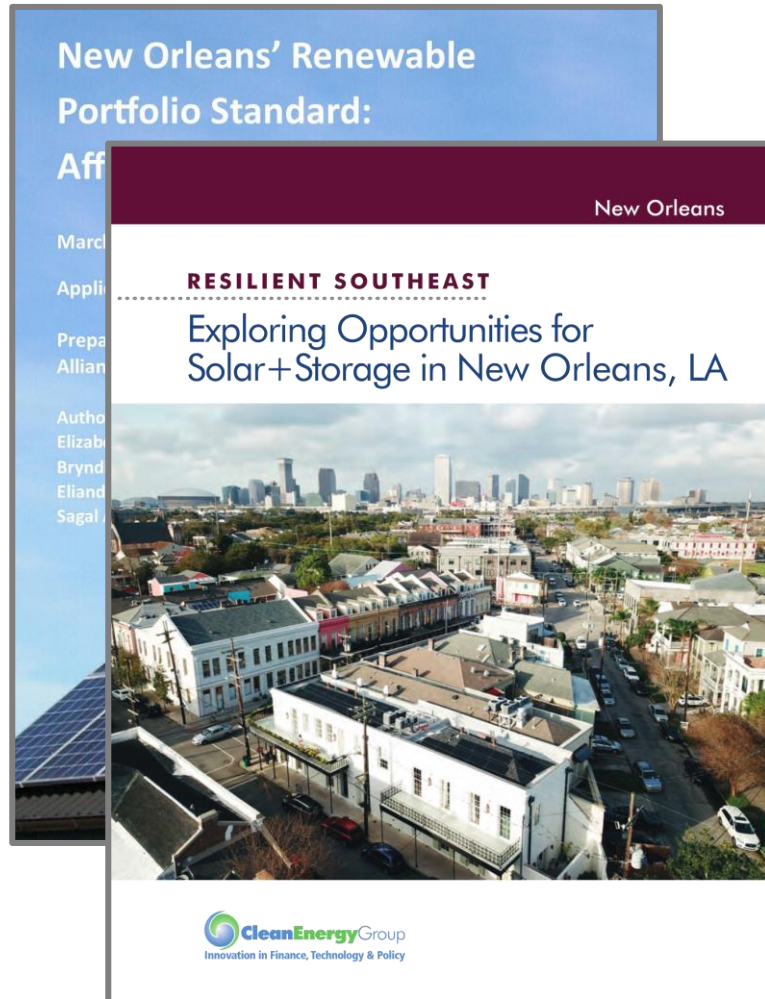


Strange Economic Gravity



- A century of regulation has created a pernicious equation that carries no **no economic gravity**
- *At best*, it is biased toward large capital projects
- *At worst*, it is a corrupting influence on corporate behavior and undermines innovation

New Orleans Before Hurricane Ida



- Proposal considered by City Council to develop resiliency microgrids
- Strong utility lobbying (and dubious tactics) led to large, centralized investments

Implementing Policy in “Strange Gravity”



- Post-Sandy Energy Plan prioritized microgrids
- NY Prize funding *led to no new projects*
- REV *excludes microgrids* from signature rate program
- LIPA, NYSERDA *cancelled* behind-the-meter programs



- 2018 Legislation prioritized microgrids
- Ongoing proceeding has deferred critical policy
- Only very modest utility-owned projects
- In 2021, PUC ordered microgrids at vulnerable substation. PG&E reported *they could not identify a single project.*



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- **EDUCATION:** resources and editorial strategy for media and political sphere
- **EVANGELISM:** commissioners, executive leaders and energy influencers
- **ENGAGEMENT:** convening leaders and participating in proceedings, roundtables and policy development

Political Enthusiasm



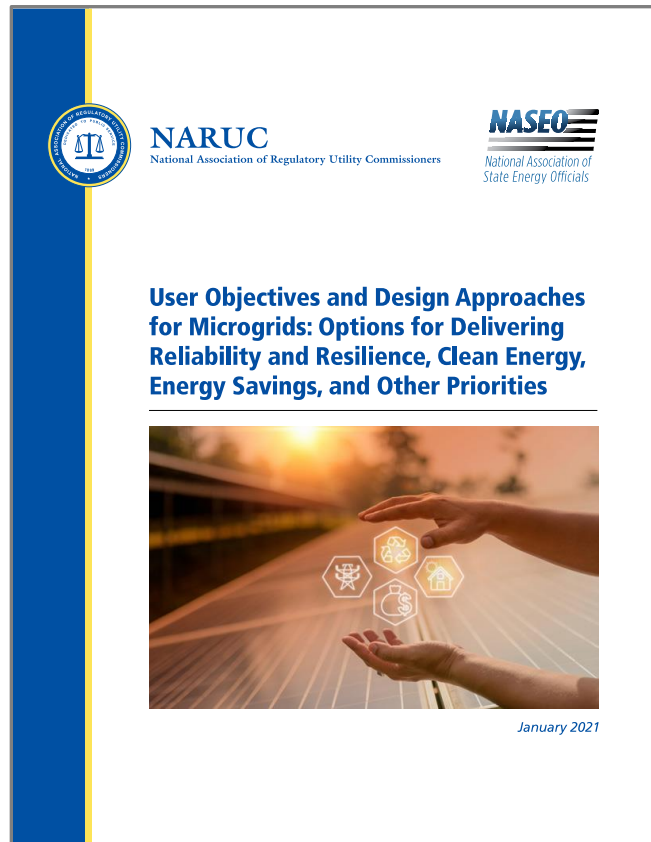
“I’m very supportive of microgrids.... Those solutions are very exciting and could be, and certainly should be, part of the national system. We should be incentivizing communities to think about that so that they are not so dependent on poles with wires atop that were constructed 70 years ago.”

- Jennifer Granholm

The Washington Post

“New Energy Secretary Jennifer Granholm has advice for Texas — and for the oil industry”
February 2021

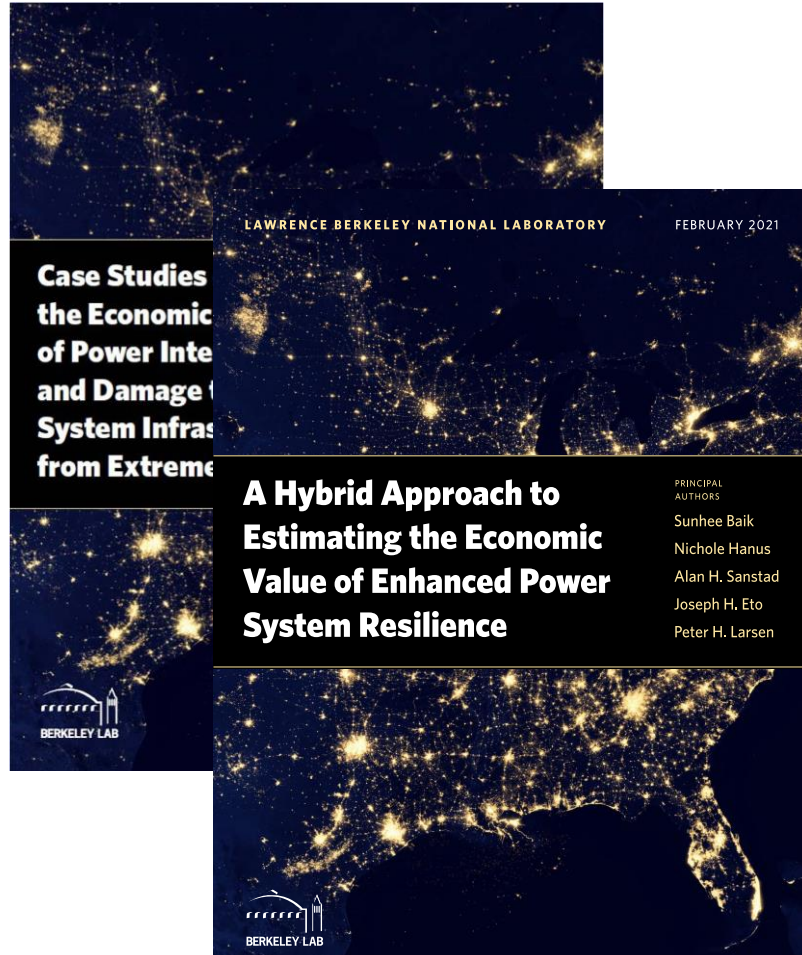
Regulatory Appetite



NARUC-NASEO Microgrids Working Group meeting since Fall 2019. January 2021 report offers four recommendations for regulators:

1. Clarify regulatory treatment
2. Interconnection transparency
3. Value of resiliency
4. Facilitate productive stakeholder engagement

Research Appetite



Value of Resilience (February 2021)

- Beyond individual customers, what is the value of resilience for the system? (What is the value of the industry at large?)
- Case studies include:
 - Florida
 - New York
 - Texas
 - California
 - New Hampshire
 - Maryland
- Federal initiatives will seek to accelerate state action in coming years

Proactive Policy Reforms

Microgrid deployment requires immediate attention to clarify and reform:

- **Regulatory Treatment**
- **Rate Design & Tariff Development**
- **Organized Market Access**
- **Locational Value**
- **Resilience Value**
- **Rights-of-Way Restrictions**
- **Interconnection Policy**



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Thank You!

Cameron Brooks

Executive Director

cameron@thinkmicrogrid.org

303.957.7667