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Sent: Monday, March 20, 2023, 1:49 PM

To: HearingComments, DNREC (MailBox Resources) <DNRECHearingComments@delaware.gov>

Subject: DEMEC Comments for DNREC 40101(d) Hearing

To whom it may concern:

I am writing on behalf of the Delaware Municipal Electric Corporation (DEMEC) in response to the Public Hearing held virtually on Tuesday, March 7, 2023, relating to **DNREC's Grid Resilience Formula Grant Program Application** for Section 40101(d) of the BIL.

We appreciate being included in committee meetings held prior to the hearing to be able to provide comment and feedback to DNREC and the committee members. Two items of note for your review and consideration:

1. An objective of importance that we shared was not captured in the survey to the committee members or the "Program Narrative" that we strongly believe should be included is one focused on partnerships.
 - a. Many of the federal government's BIL grants **encourage and seek applicants that show collaboration amongst entities/organizations** such as other utilities, nonprofits, community groups, or vendors.
 - b. Collaboration and partnerships would bring the greatest benefit to the limited federal dollars available in Delaware through economies of scale.
 - c. It would show **prioritization for projects that, "generate the greatest community benefit," as directed by U.S. DOE.**
 - d. Partnerships would also minimize the number of applications and thus the number of reports DNREC must evaluate and monitor. This would **minimize administrative burden** on both DNREC staff and the consultant to be hired by DNREC for this purpose.

2. U.S. DOE states that the percentage made available to small utilities should **not be less than** the percentage of that utility's customers within the state, however, DEMEC believes that this language indicates that the percentage made available to small utilities could be more than that amount, and as such **strongly encourages DNREC to determine the percentage based upon the percentage of the electric load** within the state and not by customer count.
 - a. The size of an eligible entity is determined by its electric needs and not customer count, therefore, the electric need should be the determining factor for the percentage of funds allocated to that entity.
 - b. The number of customers is not as clear an **indicator of infrastructure and grid resilience needs** as electric load. Number of customers does not account for whether they are mostly residential or large industrial customers, which have vastly **different infrastructure needs with very different costs.**
 - c. FERC's recent approval of NRG's Reliability Must Run application for Indian River Power determined the cost to the utility by the percentage of their electric load within the Delmarva Zone. **If costs to the utility are calculated by electric load, opportunities for funding should also be based off electric load.**

Thank you for the opportunity to comment and for DNREC staff including us in the process. We look forward to working together to strengthen and protect Delaware's electric grid to ensure continued reliable, safe electric service for Delawareans.

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