

# ANALYSIS

## Department of Energy Data Center Demand Planning

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**Analyst:** Travis Miller

**Request:** Approve, retroactively, the submission of a federal grant application to the U.S. Department of Energy, in the amount of \$4,300,000 to obtain technical assistance for data center demand planning.

**Analysis:** The U.S. Department of Energy (USDOE) Collaborations Advancing Rapid Load Additions (CARLA) technical assistance grant program is designed to support cross-sector partnerships in addressing the accelerating U.S. electricity demand driven by data center expansion for artificial intelligence applications; domestic manufacturing; and transport, industry, and building electrification.

The CARLA grant program seeks to enable and support cross-sector collaboration among state entities, electrical grid operators, and data center developers in exploring new approaches and frameworks for system planning, cost recovery, and risk allocation that balances accelerating electricity demand for data center expansion with the need to prevent or minimize rate increases for residential and existing commercial and industrial customers.

The collaborative proposed by the Oregon Department of Energy (ODOE) includes Portland General Electric (grid operator); Compass Datacenters (data center developer); Metro Regional Solutions Center; and several technical consulting firm advisors with experience in data center development, scenario modeling, cost allocation, and siting analytics, including Baringa, Oak Ridge National Laboratory, the Ray, and Nira. The proposed project budget for technical assistance is \$4.3 million with a 12-month delivery period, and the project is comprised of the following four integrated pillars:

- **Optimize data center siting:** Develop a geospatial siting framework to identify data center locations based on grid impacts, cost, and community priorities.
- **Optimize supply-side power solutions:** Evaluate utility-scale power, on-site generation, “bridge power” solutions, battery storage, grid-enhancing technologies, and virtual power plants, among other solutions.
- **Accelerate interconnection pathways:** Design a streamlined interconnection process to reduce the time and complexity of connecting large loads to the grid.
- **Innovate financing and fair cost allocation:** Evaluate dynamic pricing and other mechanisms to avoid or minimize rate increases and cost shifting for other customers while enabling faster infrastructure investment and development.

USDOE began accepting submissions from interested parties for the CARLA grant program on January 15, 2025, with an initial concept paper due by June 30, 2025, and final application submissions due by January 30, 2026. USDOE will announce project selections in spring 2026.

The interim process for agencies pursuing federal grants includes providing a letter to the Legislative Fiscal Office (LFO) and the Department of Administrative Services, Chief Financial Office (DAS CFO) at least 10 days prior to submitting any federal application and providing LFO and DAS CFO a “notice of intent” followed by a formal letter seeking official authorization at the next meeting of the legislative body.

In its CARLA grant program submission, ODOE assumes that it will neither receive funding directly from USDOE nor be required to provide a non-federal match, additional staffing, or seek additional expenditure limitation. Consequently, ODOE had assumed that legislative approval to apply was unnecessary. Going forward, ODOE is expected to adhere to the legislative interim process for grant applications that has been outlined for all state agencies with timely submittal of the proper materials.

**Recommendation:** The Legislative Fiscal Office recommends that the Joint Committee on Ways and Means approve the request.

**Request:** Retroactive authorization to apply for a grant totaling \$4.3 million on behalf of Portland General Electric and Baringa from the U.S. Department of Energy Collaborations Advancing Rapid Load Additions Technical Assistance program.

**Recommendation:** Approve the request.

**Discussion:** The Oregon Department of Energy (ODOE) is requesting retroactive authorization to apply for a funding opportunity for the Collaboration Advancing Rapid Load Additions (CARLA) Technical Assistance program. The CARLA program is being administered through a Partnership Intermediary Agreement (PIA) between the U.S. Department of Energy and ConnectWerx to better connect partnership formation for the expansion of critical energy solutions, heighten energy security, and strengthen national security ecosystems. The objective of CARLA is to engage collaboratives to develop new approaches and frameworks for system planning, cost recovery, and risk allocation for electricity demand growth, to facilitate rapid action to accommodate significant near-term load additions while minimizing or preventing rate increases for residential and small commercial and industrial customers.

The funding would be provided directly to partners, primarily Portland General Electric and Baringa, who would utilize the funding to support the development of data and analytical tools, and facilitate stakeholder meetings to identify Oregon-specific solutions to accommodate data center growth while maintaining affordable and reliable electricity. The provisions of the CARLA require the submission of an application to be made by a state agency. In total, the partner organizations are requesting \$4.3 million through the funding opportunity. In the future, ODOE may be a subrecipient of some portions of the funding opportunity expected to total roughly \$50,000.

The agency began pursuit of the funding opportunity in December 2025 but was unsure whether it required legislative approval under ORS 291.375, and as such did not submit a timely 10-day notification letter. Staff noted that legislative review of the funding opportunity would be appreciated by the Legislature, but due to the nature of the PIA, ODOE is not directly applying for a grant from the federal government as outlined by ORS 291.375. The application was submitted on January 30, 2026, and award recipients are expected to be announced in the spring of 2026. Because the funding opportunity would be awarded directly to partners, ODOE will not need additional expenditure limitation or position authority to implement the funding opportunity. ODOE will not be responsible for any reporting or monitoring of the funds.



# Oregon

Tina Kotek, Governor



January 30, 2026

Senator Kate Lieber, Co-Chair  
Representative Tawna Sanchez, Co-Chair  
Joint Committee on Ways and Means  
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Dear Senator Lieber and Representative Sanchez,

## **Nature of the Request**

The Oregon Department of Energy requests retroactive approval to apply for a U.S. Department of Energy (U.S. DOE) Technical Assistance Funding Opportunity. The Collaborations Advancing Rapid Load Additions (CARLA) Technical Assistance [funding opportunity](#) supports collaboratives to develop new approaches and frameworks for system planning, cost recovery, and risk allocation for electricity demand growth. At its core, the funding opportunity is designed to help governments, utilities, and data center developers plan for and mitigate potential negative outcomes from rapid data center growth. An important distinction of this funding opportunity is that if the U.S. DOE gives a notice of intent to award, they can contract directly with private organizations for the technical assistance funding, rather than with the state.

## **Agency Action**

Oregon's data center growth is one of the fastest in the country. This has led to concerns about how data center proliferation might affect electricity costs for Oregonians. Compounding this is the concern that Oregon's grid is not growing fast enough to reliably provide power in the near future. The CARLA technical assistance would support development of data and analytical tools, and would facilitate convening stakeholders to identify Oregon-specific solutions to accommodate data center growth while maintaining affordable rates and reliable electricity.

ODOE submitted a concept paper to U.S. DOE on June 30, 2025, and was contacted in December and encouraged to submit a full application for the CARLA technical assistance opportunity.

The agency submitted the application on January 30, 2026 in collaboration with Portland General Electric (PGE) and Baringa, a global technical consulting firm. Baringa will be the recipient of funding and manager of this project, with ODOE as the lead state applicant as required by U.S. DOE. Baringa intends to work with ODOE and the other project partners to implement the project. ODOE's role would largely be to facilitate engagement with important partner organizations and communities to ensure Baringa and other project partners incorporate Oregon-specific data and perspectives in developing their tools and analysis.

Because the technical assistance opportunity would not involve any funding coming directly to ODOE from the U.S. DOE, the agency did not realize that legislative approval would be necessary. After consultation with the Legislative Fiscal Office and Chief Financial Office, it was determined that a letter would be appropriate.

If the application for technical assistance is successful, ODOE may subcontract with Baringa for a small amount of funding for staff support during the project. If this application is successful, ODOE will consult with the Legislative Fiscal Office on whether additional limitation is necessary.

**Action Requested**

ODOE requests retroactive approval to apply for the CARLA funding opportunity, with Baringa as the recipient and administrator of the funds. ODOE does not need limitation at this time, as we will not be receiving any funds directly through this funding opportunity.

**Legislation Affected**

None

Thank you,

A handwritten signature in black ink that reads "Janine Benner". The signature is written in a cursive, flowing style.

Janine Benner, Director  
Oregon Department of Energy

cc: Sione Filimoehala, CFO  
Travis Miller, LFO