

Bipartisan Infrastructure Law Section 40101(d)

Formula Grants to States and Indian Tribes for Preventing Outages and Enhancing the Resilience of the Electric Grid (Grid Resilience Grants)



Content

1. Provide information on the Formula Grants to States and Indian Tribes for Preventing Outages and Enhancing the Resilience of the Electric Grid (Grid Resilience Grants) Provision, Sec. 40101(d)
 - REQUEST FOR INFORMATION: **Comments Due June 2, 2022; 11:59 P.M., EDT**
 - NOTICE OF INTENT
 - DRAFT ADMINISTRATION AND LEGAL REQUIREMENTS DOCUMENT
 - DRAFT FORMULA ALLOCATIONS DATA
2. Early Insights for Formula Grant Application Process

Resilience Funding Program Highlights:

Delivering Reliable, Clean, and Affordable Power to More Americans

Program Name (DOE)	Funding Amount	Next Milestones
Preventing Outages and Enhancing the Resilience of the Electric Grid / Hazard Hardening (Sec. 40101 Grid Resilience Grants)	\$5 billion	<ul style="list-style-type: none">• NOI/RFI for state, territory and tribal formula grant program; application release expected on or around July 1, open for 60 days• NOI/RFI for utilities and industry competitive program expected to be released in Summer 2022
Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency (Sec. 40103(b) Innovative Resilience Grants)	\$5 billion	<ul style="list-style-type: none">• NOI/RFI expected to be released in Summer 2022
Deployment of Technologies to Enhance Grid Flexibility (Sec. 40107 Smart Grid Grants)	\$3 billion	<ul style="list-style-type: none">• NOI/RFI expected to be released in Summer 2022

The entirety of the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law, Public Law 117-58, is available at:

<https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.htm>.

Grid Resilience Formula Grants – 40101(d)

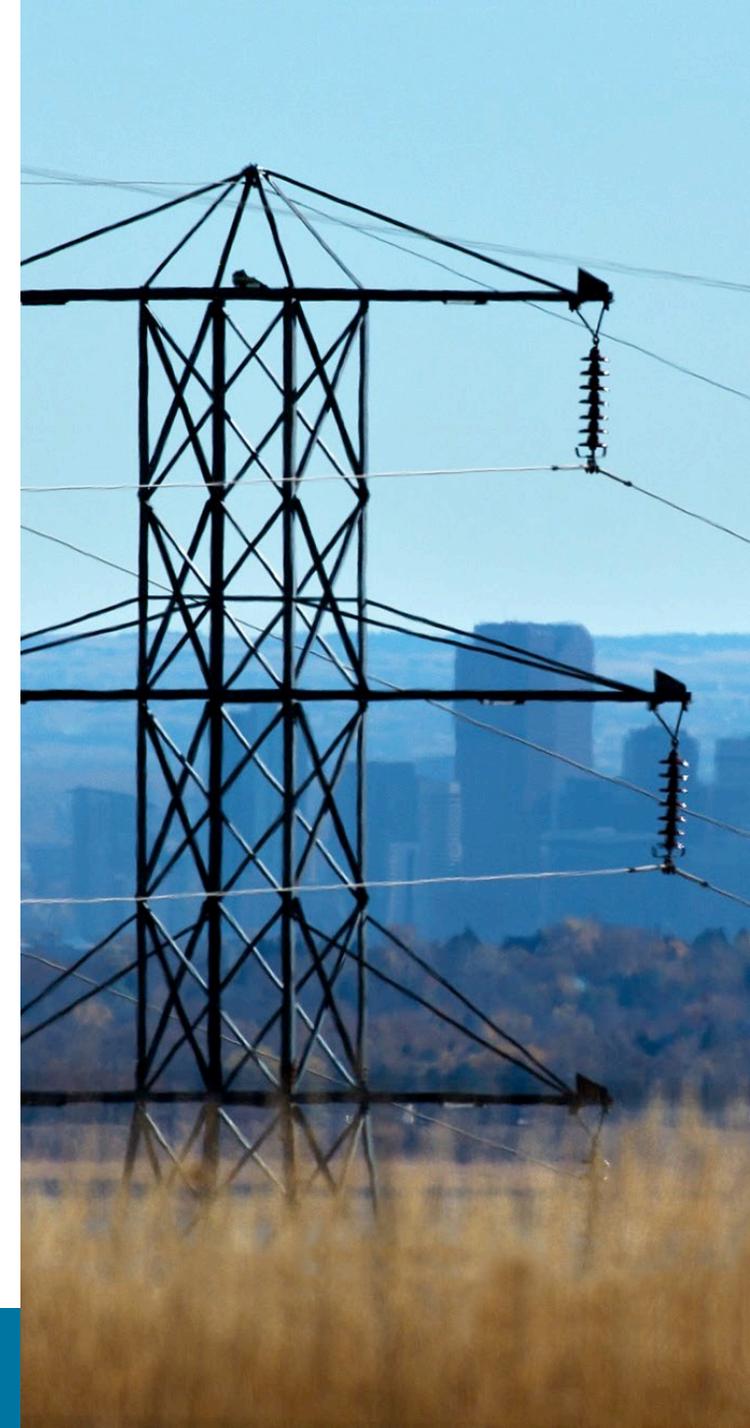
- Offers a unique opportunity to advance the capabilities of States and Indian Tribes to address current and future all-hazards resilience needs.
- DOE is encouraging an objectives-led planning process to address all-hazards resilience as well as economic development and needed improvements in infrastructure, including necessary and supporting grid modernization investments in underserved communities

The goal of this financial assistance is to support the Administration's and Congress' objectives to:

- (1) demonstrate measurable improvements in energy resilience to all hazards in the United States and mitigate climate-related risk,
- (2) invest in modernized grid infrastructure that can enable consumer access to lower-cost energy and accommodate increased electrification, increased penetrations of variable renewable electricity and distributed energy resources, and other evolving system needs over the coming decades,
- (3) invest in clean energy and decarbonization solutions to achieve a carbon-free power sector by 2035 and net-zero greenhouse gas emissions economy-wide by 2050, and
- (4) create good-paying jobs with the free and fair choice to join a union.

Grid Resilience Formula Grants Summary

- States, Territories, and Tribes via annual formula grant
 - \$2.3 Billion (approximately \$459 million per year for FY 2022–2026)
 - 15% cost share
 - Up to 5% can be used for Technical Assistance
- Legislation set specific 5-part formula based on population, area, probability of disruptive events, severity of disruptive events, and expenditure on mitigation efforts.
- States, Territories, and Tribes need to submit to DOE
 - *Criteria and methods* to award grants, a plan for distribution of funds, and evidence of notice and public hearing on the plan (Program Narrative)
 - Formula grant applicants will be required to submit applications each year, although grants may cover multiple-year deployments
- States, Territories, and Tribes may sub-grant to eligible entities for projects



Annual State, Territory and Tribal Funding Summary

Indian Tribes

- \$30 - \$100K: 359 entities
- \$100 - 500K: 191 entities
- \$500K - \$1M: 22 entities
- \$1M - \$5M: 2 entities

States and Territories

- \$500K - \$1M: 2 entities
- \$1M - \$5M: 19 entities
- \$5M - \$10M: 29 entities
- >\$10M: 6 entities

Eligibility for Grid Resilience Formula Grants

Eligible formula grant applicants include:

- States
- Indian Tribes
- U.S. Territories
- Eligible applicants may further subgrant to “eligible entities” as defined by this provision

Subgrant eligible entities:

- electric grid operators
- electricity storage operators
- electricity generators
- transmission owners or operators
- distribution providers
- fuel suppliers

Subgrant Cost Match Requirements

Matching Funds

- Any eligible entity that receives a subgrant under this program shall be required to match 100 percent of the amount of the subgrant.
- However, if the subgrant entity sells 4,000,000 megawatt hours of electricity or less per year, the required match will be one-third of the amount awarded to the subgrantee.

Small Utility Set-aside

- A State or Indian Tribe receiving a grant under the program shall ensure that, of the amounts made to subgrantees, the percentage made available to eligible entities that sell not more than 4,000,000 megawatt hours of electricity per year is not less than the percentage of all customers in the State or Indian Tribe that are served by those eligible entities.

Types of resilience investments permitted under the Grid Resilience Formula Grant program

Potential Investments include:

- utility pole management,
- hardening of power lines, facilities, substations, of other systems,
- undergrounding of electrical equipment,
- replacement of old overhead conductors and underground cables,
- relocation of power lines or reconductoring of power lines with low-sag, advanced conductors,
- vegetation and fuel-load management,
- weatherization technologies and equipment,
- fire-resistant technologies and fire prevention systems,
- monitoring and control technologies,
- use or construction of distributed energy resources for enhancing system adaptive capacity during disruptive events, including microgrids, and battery-storage subcomponents,
- adaptive protection technologies, and
- advanced modeling technologies

Grants under Section 40101(d) CANNOT be used for:

Construction of a new electric generating facility or large-scale battery-storage facility that is not used for enhancing system adaptive capacity during disruptive events; or cybersecurity.



Request for Information

- DOE seeks input from all stakeholders on the Department's Section 40101(d) implementation plan, including application and award requirements. **Comments Due June 2, 2022; 11:59 P.M., EDT**
- In addition, the Department would appreciate receiving responses from interested parties to the following questions:
 - What are the specific challenges you anticipate with regard to providing the Program Narrative?
 - What are the areas in which you would most appreciate receiving technical assistance? In addition, what approaches for providing technical assistance would be most helpful to you?
 - What additional data sources do you have that may help DOE prepare the award formula in future years?

Notice of Intent

- The purpose of this Notice of Intent (NOI) is to provide information on implementation of Section 40101(d) of the IIJA.
- Grant applicants are expected to set objectives and undertake a strategic planning process that:
 - a) identifies the highest-priority opportunities for improving resilience in the near-term,
 - b) formulates strategies for determining investments needed over the long-term that align with objectives, and
 - c) measures the progress and performance of IIJA investments through the establishment of metrics.
- Ideally, the long-term, strategic planning process should inform near-term investment opportunities through an annual planning cycle.





Program Narrative

- Application Criteria must include:
 - ❖ A description of the criteria that will be used by the State or Indian Tribe to award grants to eligible entities, including 3-5 objectives that will guide resilience investment decisions.
 - ❖ How priority will be given to projects that will generate the greatest community economic benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.
 - ❖ A brief description of the notice and public hearing process, including the number and types of organizations that attended. Also, report on the outcome of the public hearing, e.g., significant next steps and decisions.
- Methods used for soliciting, awarding, and distributing subgrantee funds. These might include several options, including the use of competitive solicitations, direct awards, and the use of financial instruments, such as Green Banks.
 - ❖ Include a description of the proposed funding distributions to subgrantees. It is acceptable to indicate a general plan for distributing funds if eligible entities are not yet specified. Also, indicate preferences for eligible entities if they do not explicitly appear on the list provided in Section 40101.
 - ❖ Provide a description of how the applicant intends to utilize up to 5 percent of Federal grant funds for project administration and technical assistance.

Note: Application process will take time!

Application and Program Narrative

Submission	Components	Format
Full Application (PDF, unless stated otherwise)	SF-424	Form
	SF424a Budget Information – Non-Construction Programs File	Microsoft Excel
	Budget Justification	Microsoft Excel
	Program Narrative	PDF
	Environmental Questionnaire	PDF
	SF-LLL Disclosure of Lobbying Activities, if applicable	Form
	Letter from Head of Government	PDF

Program Narrative and Letter from Head of Government are requirements unique to this Administrative and Legal Requirements Document (ALRD).

All other components are standard application requirements.

- Letter from Head of Government: Required by DOE for the Head of Government to identify the single applicant to receive the grant award



Technical Assistance & Administrative Expenses

- Of the amounts made available, a State or Indian Tribe may use not more than 5 percent annually for:
 - Providing technical assistance
 - Facilitating the distribution of information to reduce the likelihood and consequences of disruptive events
 - Administrative expenses associated with the program.
- As permitted by the statute, DOE has reserved funding to provide technical assistance to those receiving funding under Section 40101.
- The Department plans to work collaboratively with recipients of these funds to determine how best DOE may serve their needs.

Success – Jobs, Technology At-Scale, and Mitigating Risks through Community Transformation

- Strengthening prosperity—by expanding good-paying, safe jobs and supporting job growth through investments in domestic energy—is a key goal of the Biden-Harris Administration and of DOE.
- We welcome your responses to the NOI/RFI regarding creating and sustaining quality jobs and other success metrics.

Identifying Disadvantaged Communities

The Justice40 Initiative within DOE includes a collaborative effort with the Office of Management and Budget (OMB) and various federal agencies to establish policy goals and programs for better serving disadvantaged communities.

The Section 40101(d) Formula Grant Program requires that eligible applicants establish objectives and metrics to involve disadvantaged communities, e.g., low income, vulnerable, and underserved communities, within their respective planning processes so that they may receive equitable benefits that derive from them.

See DOE's Energy Justice Dashboard for data resources :

<https://www.energy.gov/diversity/energy-justice-dashboard-beta>
(updates ongoing)

What can you be doing now?



- 1) Identify the single applicant that will be applying for the funds
- 2) Applicant should do the following:
 - a) Complete “Registration Requirements” per page 2 of the draft ALRD
 - b) Begin development of a plan or process for distribution of funds
 - c) Begin development of the method or process for soliciting for potential projects from eligible entities
 - d) Identify the criteria that will be used in selecting potential projects
- 3) Develop an arrangement to provide notice of, and conduct public hearings on, the funding distribution plan or process



Documents Available:

<https://netl.doe.gov/bilhub/grid-resilience/formula-grants>

SECTION 40101(D) FORMULA GRANTS TO STATES & INDIAN TRIBES

Under Section 40101(d) Formula Grant Program of the [Bipartisan Infrastructure Law \(BIL\)](#), the Department of Energy will provide grants to States (this includes Indian Tribes, U.S. Territories and the District of Columbia) to improve the resilience of their electric grids. States may further allocate funds to "eligible entities", as defined by Section 40101(d). These grants offer a unique opportunity to advance the capabilities of States and their communities to address not only current, but future resilience needs, as well. The requirements of this formula grant program are defined within Section 40101(d) of the BIL. Section 40101(d) stipulates that DOE allocate funding annually through grants to States according to a formula that includes such parameters as population, land area, and the historical precedence for experiencing disruptive events. The Notice of Intent (NOI), linked below, provides information on DOE's plans (subject to revision based on comments received in response to NOI) for implementation of Section 40101(d) of the BIL.

Formula Grants to States and Indian Tribes for Preventing Outages and Enhancing the Resilience of the Electric Grid

- ▶ [Notice of Request for Information \(Updated¹\)](#)
- ▶ [Notice of Intent \(NOI\) \(Updated¹\)](#)
- ▶ [DRAFT Allocation of Funds](#)
- ▶ [DRAFT Funding Allocation Data Sources](#)
- ▶ [DRAFT Administrative and Legal Requirements Document \(ALRD\)](#)
- ▶ [DRAFT Statement of Project Objectives \(SOP\)](#)
- ▶ [FAQs \(issued May 5, 2022\)](#)

1) Updated on May 3, 2022 to reflect that responses to the RFI must be received by no later than 11:59 p.m. EDT on June 2, 2022

- ▶ [Link to FedConnect Page for Formula Grants to States and Indian Tribes for Preventing Outages and Enhancing the Resilience of the Electric Grid](#)
- ▶ For information on a public webinar scheduled for May 5, 2022: [Grid Hardening State/Tribal Formula Grant Program Webinar | Department of Energy](#)

[Resources Library](#)

Request for Information

Notice of Intent

DRAFT Allocation of Funds, ALRD, Statement of Project Objectives

Public Webinar Registration (Recording and slides to be posted here)

Resources Library: best practices, etc.

Submittal of Questions and Comments



RFI questions/comments are due on:

June 2, 2022, by 11:59 PM EDT

Interested parties should submit questions/comments to the following:

E-mail Address: 40101formulagrants@hq.doe.gov

Postal Address:

Grid Deployment Office
U.S. Department of Energy
1000 Independence Avenue, SW
Washington DC 20585



Questions?

