

# Bipartisan Infrastructure Law: Section 40101(d), Grid Resilience Formula Grants

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August 9, 2022

Governor's Energy Office

# Agenda

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- Welcome
- Overview of Bipartisan Infrastructure Legislation (BIL) and Clean Energy & Grid Resilience Opportunities
- Grid Resilience Program Overview
- Public Comment and Questions
- Wrap Up and Next Steps

**Goal for today:** Share information regarding the upcoming 40101d opportunity and collect initial input and thoughts on program objectives.

# BIL Energy Programs

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**More than \$62 billion in funding administered by the U.S. Department of Energy (DOE) to accelerate the clean energy transition**

*'For the next five years, the Bipartisan Infrastructure Law will stand up 60 new DOE programs, including 16 demonstration and 32 deployment programs, and expands funding for 12 existing Research, Development, Demonstration, and Deployment (RDD&D) programs.'*

- U.S. DOE, BIL: [www.energy.gov/bil/bipartisan-infrastructure-law-homepage](http://www.energy.gov/bil/bipartisan-infrastructure-law-homepage)

# Executive Order 2: An Order Establishing the Governor's Infrastructure Implementation Committee

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- Governor's Infrastructure Implementation Committee
  - DAFS, DECD/MCA, DEP, DOT, DHHS, GEO
  - Other agencies, staff leadership
- Coordinate activities of state agencies to maximize the benefits of IJJA. Ensure resources to utilize funds and coordinate on cross-cutting issues including permitting and workforce.
- Resilience Working Group

# Building a Better Grid Initiative

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- U.S. DOE's Building a Better Grid Initiative launched in January 2022
- In an NOI, DOE outlined the need for national transmission investment and the tools DOE has to drive that investment (coordination, planning, financing, permitting, and RD&D)

Funding	Program
\$5.0B	Preventing Outages and Enhancing the Resilience of the Electric Grid / Hazard Hardening – sec. 40101
\$5.0B	Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency – sec. 40103(b)
\$2.5B	Transmission Facilitation Program / Borrowing Authority – sec. 40106
\$3.0B	Deployment of Technologies to Enhance Grid Flexibility– sec. 40107

*Source: U.S. Department of Energy, Building a Better Grid Overview*

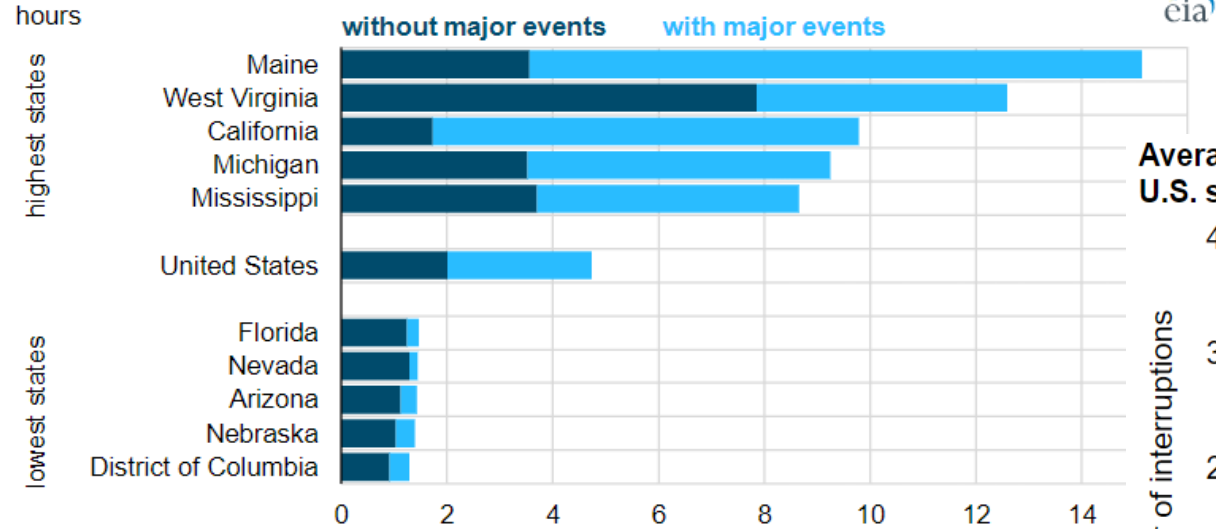
# Section 40101: Enhancing Grid Resilience

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- \$1 Billion per year for FY 2022 – 2026
- ~\$500 million to states through a formula grant
- ~\$500 million made available to industry through competitive solicitation
  - 30% small utility set aside
  - Cost match requirement

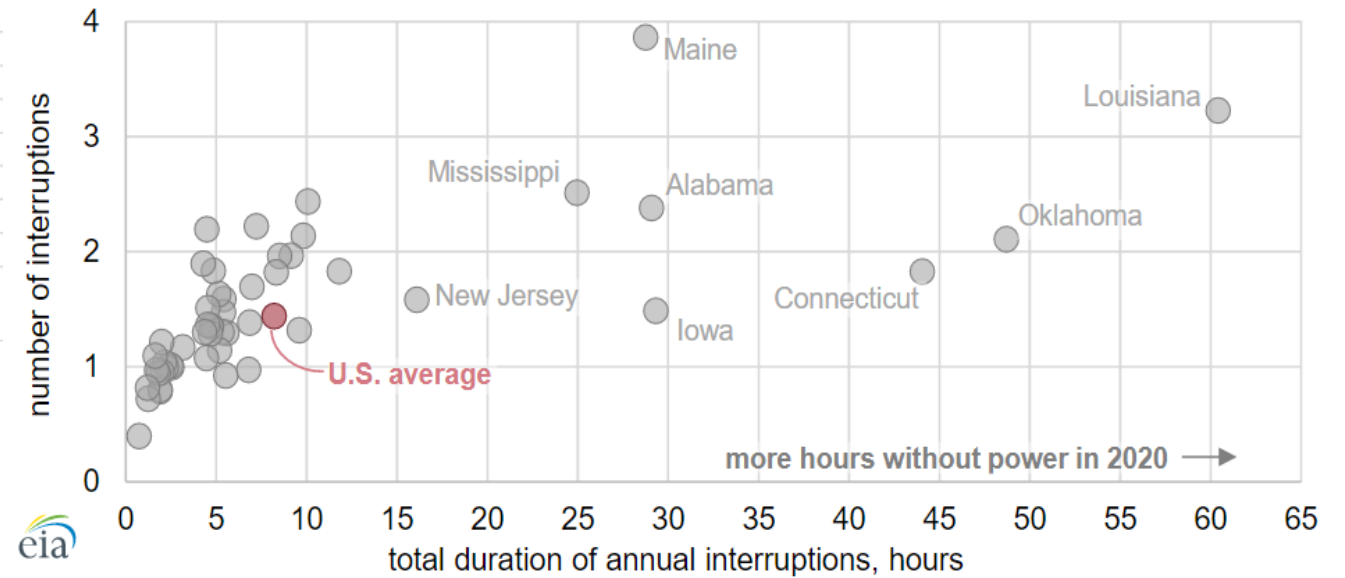
# EIA Reliability Data (2019, 2020)

Average total annual electric power interruption duration per customer, select states (2019)



Source: U.S. Energy Information Administration, *Annual Electric Power Industry Report*

Average total annual electric power interruption duration and frequency per customer, by U.S. state (2020)



Source: U.S. Energy Information Administration, *Annual Electric Power Industry Report*

# Overview: Grid Resilience Formula Fund (40101d)

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# Grid Resilience Formula Fund (40101d)

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- Provides support for activities that reduce the likelihood and consequence of grid impacts due to extreme weather, wildfire, and natural disaster
- \$459 million to States and Tribes per year for five years (FY 2022 – 2026)
- Eligible Applicants can sub-grant to “Eligible Entities”
- **ME allocation: ~\$2.2 million annually**
- States and tribes must apply each year, though grants can cover multiple year deployments

# Eligible Entities

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- electric grid operator
- electricity storage operator
- electricity generator
- transmission owner or operator
- distribution provider
- fuel supplier
- any other relevant entity, as determined by the Secretary of DOE

# Cost Matching

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- Applicant Matching
  - 15% cost match for States and Tribes as “Eligible Applicants”
- Subgrant Matching
  - 100% cost match for large eligible entities
  - 33% match for small utilities selling under 4 million megawatt hours (MWh) per year

# Applicable Uses

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- fire-resistant technologies and fire prevention systems
  - monitoring and control technologies
  - undergrounding of equipment
  - utility pole management
  - relocation of power lines
  - vegetation and fuel-load management
  - distributed energy resources (DERs), including microgrids and battery storage subcomponents
  - adaptive protection technologies
  - advanced modeling technologies
  - hardening of power lines
  - workforce training
- Non-applicable uses.** New electric generating facilities, large-scale battery-storage facilities not used for enhancing system adaptive capacity, or cybersecurity.

# DOE Application Process

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By September 30<sup>th</sup>, States and Tribes must submit application including:

- Objectives for guiding resilience investment decisions
- Metrics to track outcomes
- Criteria and methods to award grants
- Equity approach

**Applicants must conduct a public hearing to review criteria and methods that will be used to grant awards**

# Program Components - DOE

Objectives	Metrics	Criteria
<ul style="list-style-type: none"> <li>• 3-5 objectives applicant intends to apply for guiding resilience investment decisions that address at minimum:</li> <li>• Resilience &amp; energy justice concerns, including reducing outages in disadvantaged communities</li> <li>• How the project will use strong labor standards</li> </ul>	<ul style="list-style-type: none"> <li>• Measure outcomes associated with:</li> <li>• Improved resilience</li> <li>• Creating good paying jobs</li> <li>• Advancing energy justice</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritize projects that yield the “greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.”</li> <li>• Percentage of funds made available to entities that sell less than 4,000,000 MWh / yr should not be less than percentage of all customers that are served by those entities</li> </ul>

# Equity Approach

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- In alignment with DOE formula program guidance, this program aims to support necessary infrastructure investments in underserved communities
  - Justice40: Exec. Order 14008
- Proposed projects must incorporate
  - Quality jobs
  - Community Benefits
  - Diversity, Equity, Inclusion and Accessibility

# Example Objectives & Metrics

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- **Example objective #1:** increase resilience and decreasing outages in disadvantaged communities.
  - Metric: Frequency of disruptions to households and businesses
- **Example objective #2:** prioritization of enhancing resilience of critical facilities in rural areas against disruptive events and outages.
  - Metric: Frequency of disruptions to critical facilities, number of workers employed to operate resilience project at critical facility

**Additional metric considerations:** cost, energy affordability, statutory climate and energy objectives, economic impacts



# Year 1 Planning Approach

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Solicit stakeholder input on objectives, metrics and criteria



Look to ongoing planning efforts to identify key focus areas (2-4 “applicable uses”)

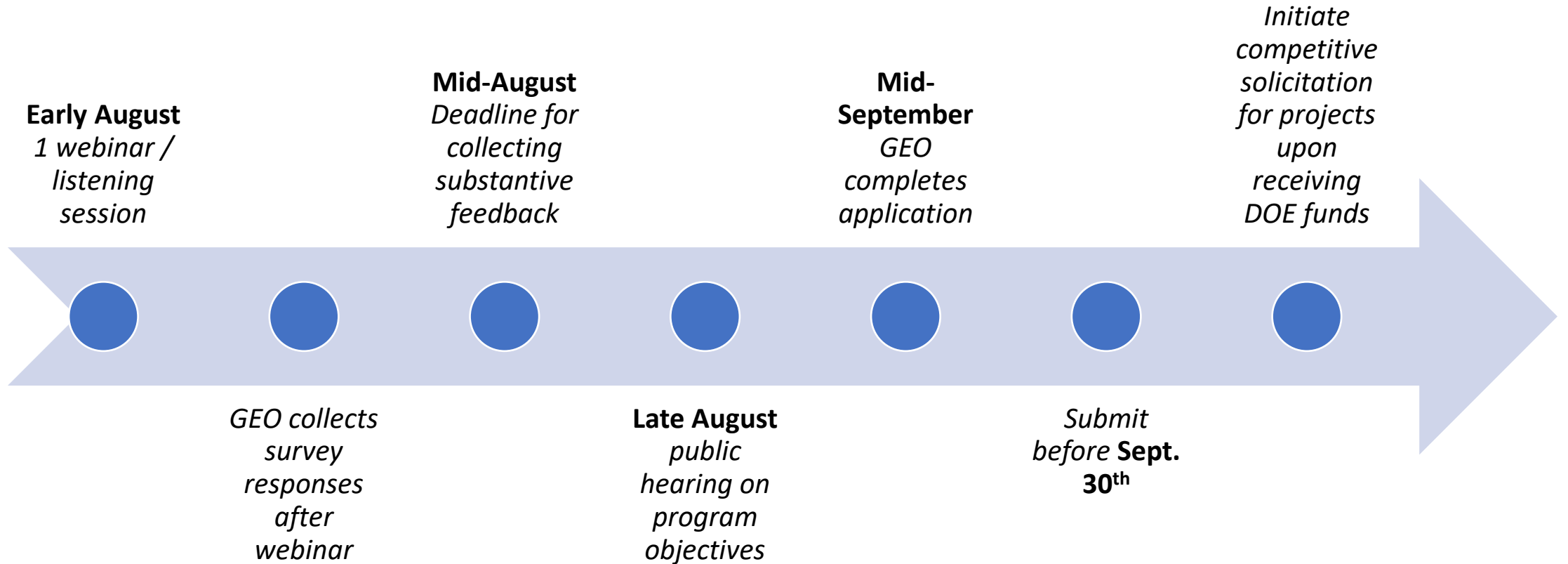


Following DOE grant approval, conduct competitive solicitation for a limited number of project proposals, given formula funding allocation amount



Explore additional opportunities for feedback and review of Year 1 objectives and metrics prior to Year 2 re-application

# Timeline (Tentative)



# Question Prompts

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- What program objectives should be considered?

*Example:* decrease outages in disadvantaged communities, increase resilience of critical facilities

- What priority applicable uses align with broader policy goals and go above and beyond current resilience measures?

- Additional metrics to track program success?

*Example:* frequency of disruptions to households or critical facilities

- Other feedback?