

Maine Grid Resilience Formula Grant Program Public Hearing

February 9, 2023

12PM – 1PM

Agenda

- Welcome
- Bipartisan Infrastructure Law (BIL) Background
- Grid Resilience Program Overview
- Public Comment and Questions
- Wrap Up and Next Steps

Bipartisan Infrastructure Law Funding Opportunities

BIL Energy Programs

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
- White House Guidebook to BIL: <https://www.whitehouse.gov/build/>

Governor's Infrastructure Implementation Committee

By executive order of Governor Mills, the State has established an Infrastructure Implementation Committee to coordinate the implementation of BIL initiatives among the State, cities, towns, tribal governments, and other entities in Maine.

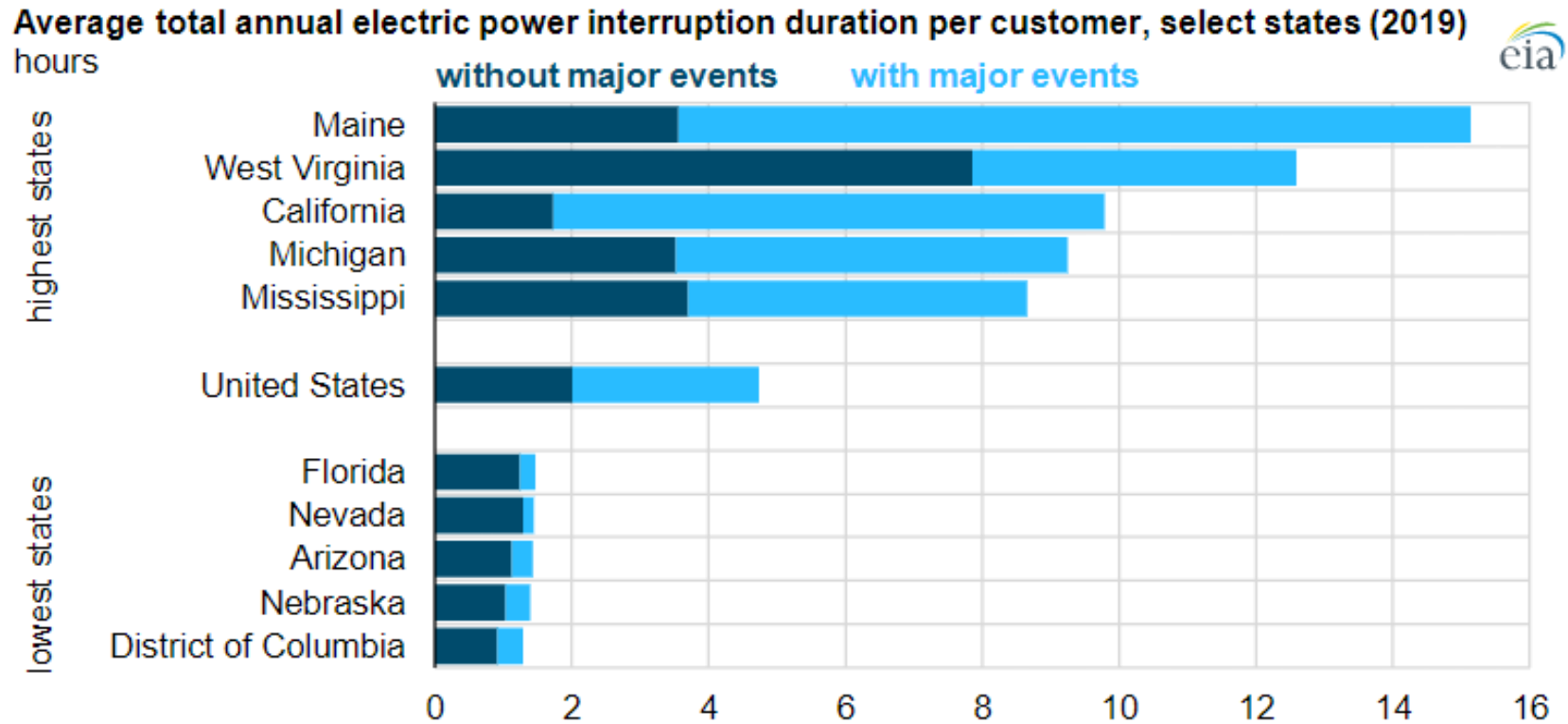
Agency leadership and staff convene on a regular basis to coordinate activities to:

- maximize the benefits
- ensure resources to utilize funds, and
- coordinate on cross-cutting issues such as permitting and workforce.

Participating agencies: Departments of Administrative and Financial Services, Economic and Community Development, Environmental Protection, Transportation, Health and Human Services, Maine Connectivity Authority, and the Governor's Energy Office

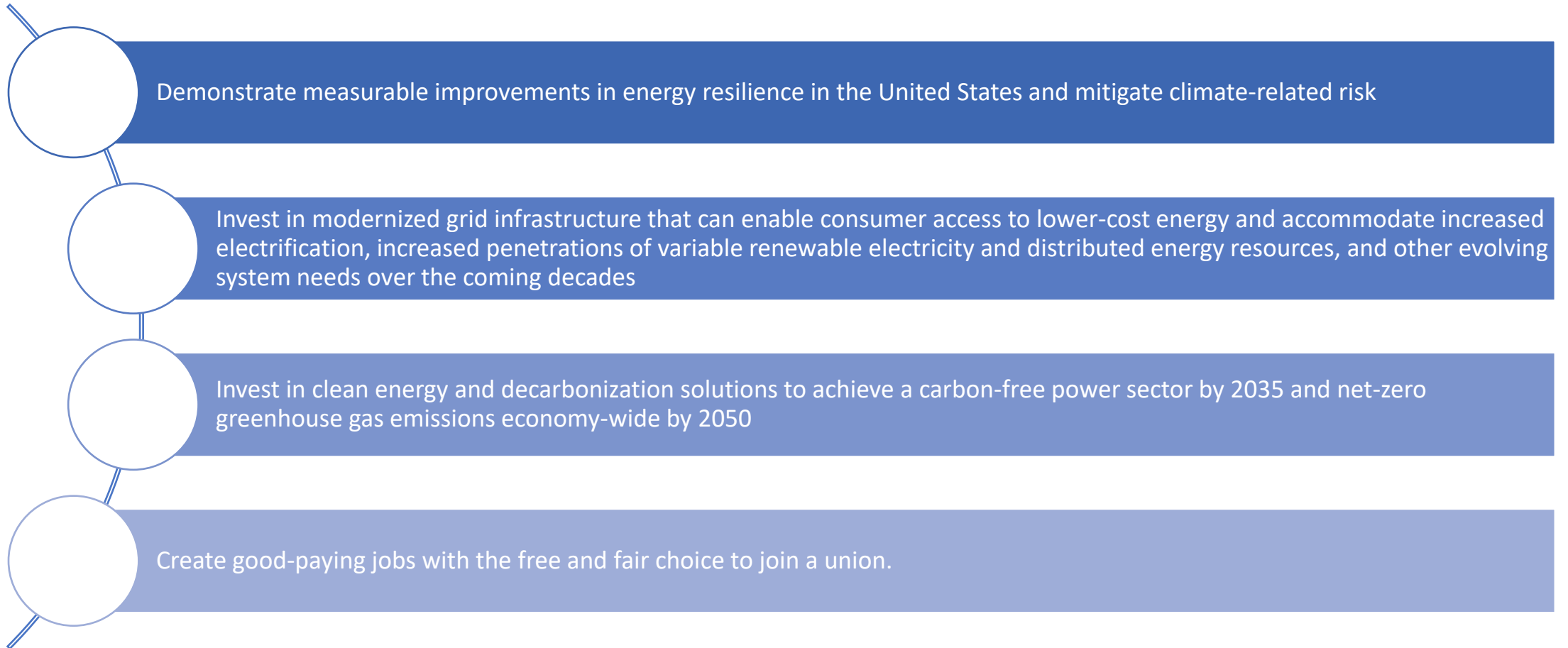
Grid Resilience Program Overview

EIA Reliability Data (2019)



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

Biden Administration & Congressional Goals



Grid Resilience Formula Fund (40101d)

- Provides support for activities that reduce the likelihood and consequence of grid impacts due to extreme weather, wildfire, and natural disaster
- \$459 million to eligible applicants per year for five years (FY 2022 – 2026)
- **Maine allocation:**
 - FY 2022: \$2.19 million (announced July 2022)
 - FY 2023: \$2.17 million (announced Jan. 2023)
- Total funding amount available for Maine: \$4,364,534
- **The GEO anticipates initiating a competitive solicitation for projects upon receiving the formula allocation following DOE's approval of the application.** The RFP will provide application guidelines consistent with federal requirements and proposed objectives, methods, and criteria presented here

Grid Resilience Formula Fund Timeline

- **July 2022:** U.S. Dept. of Energy (DOE) releases program guidelines; initially announces deadline of Sept. 30, 2022
- **Aug. 2022:** GEO informational webinar and stakeholder survey requesting input on program priorities
- **Sept. 2022:** DOE announces deadline extension from Sept. 30, 2022 to March 31, 2023
- **Nov. 2022:** DOE shares anticipated updated guidance to original program rules
- **Dec. 2022:** GEO finalizes proposed program design based on updated guidance and initial public input
- **Jan. 2023:** GEO posts draft program plan on website for public input; FY 2023 allocation announced
- **Feb. 2023:** GEO holds public hearing
- **March 31, 2023:** Deadline for eligible applicants to submit

Deadline for public comment on the proposed program extended through February 17, 2023.

Eligible Entities

- Electric grid operator
- Electricity storage operator
- Electricity generator
- Transmission owner or operator
- Distribution provider
- Fuel supplier

Cost Match

- Applicant Matching
 - The GEO must provide a 15% cost match for the funds received as the “Eligible Applicant”
- Subgrant Matching
 - 100% cost match for most eligible entities
 - 33% match for small utilities selling under 4 million megawatt hours (MWh) per year

Applicable Uses

- 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 required for resilience measures

Non-applicable uses. New electric generating facilities, large-scale battery-storage facilities not used for enhancing system adaptive capacity, or cybersecurity.

Updates to Previous Guidance (Nov. 2022)

- **Funds may not be used to purchase and install an emergency generator.** IJA Section 40101(e)(2)(A) prohibits eligible entities from using grant funds to construct any new electric generating facilities or any large-scale battery storage facility that is not used for enhancing system adaptive capacity during a disruptive event. However, a large-scale battery storage facility installed to provide adaptive capacity during a disruptive event would be an allowable project.
- **Construction of new solar generation for microgrids is not an allowable cost for Section 40101 funds.** However, other costs outside of new generation associated with building out a microgrid may be allowable. IJA Section 40101(e)(2)(A) prohibits eligible entities from using grant funds to construct 1) any new electric generating facilities or 2) any large-scale battery storage facility that is not used for enhancing system adaptive capacity during a disruptive event.

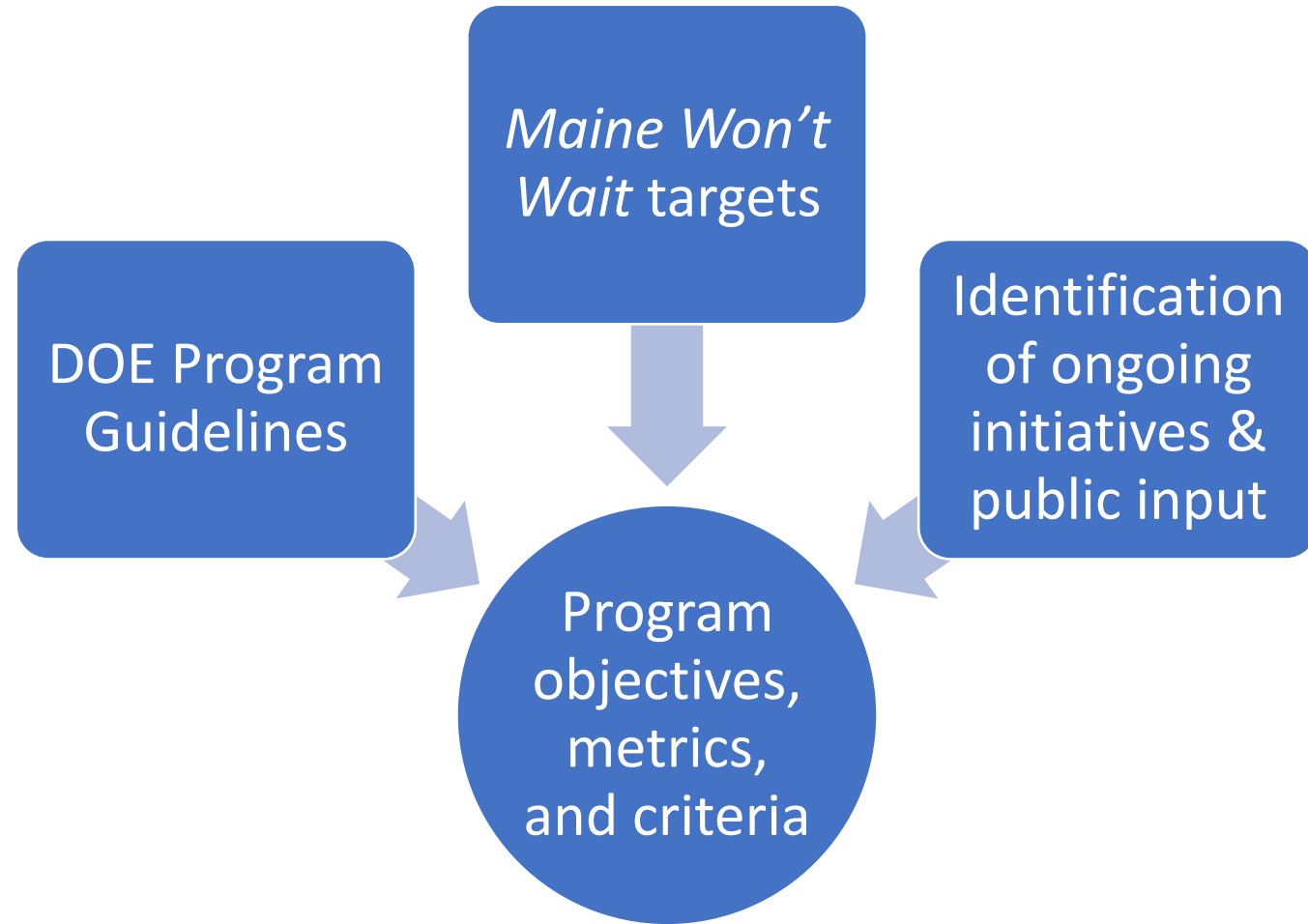
DOE Application Process

By March 31st, 2023, eligible entities 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.

Program Framework



Program Objectives (FY 2022-2026)

The GEO anticipates the program will solicit projects that support the following objectives:

- Increase resilience of the electric grid and decrease the frequency and duration of outages, including within disadvantaged communities and areas experiencing high frequency and/or long durations of outages.
- Improve community and economic resilience to extreme events and empower electric customers and communities to be resilient to disruptive events.
- Increase clean energy workforce opportunities and ensure alignment with existing initiatives.
- Align with ongoing electric grid modernization and state policy climate goals while mitigating disproportionate energy burdens.

Alignment with Justice40 across all objectives

Program Objectives & Proposed Metrics

Increase resilience of the electric grid and decrease the frequency and duration of outages, including within disadvantaged communities and areas experiencing high frequency and/or long durations of outages.

- Average quarterly SAIFI, SAIDI, CAIDI from a current (baseline) level
- Average quarterly community SAIFI, SAIDI, CAIDI reported as relative to service area averages
- Zip code(s) where funds are deployed

Improve community and economic resilience to extreme events and empower electric customers and communities to be resilient to disruptive events.

- Average quarterly SAIFI, SAIDI, CAIDI from a current (baseline) level for residential, commercial, and industrial customers located in the community
- Number and duration of outages to critical facilities providing essential community services during extreme or emergency events
- Description of how the project incorporates customer and community participation and feedback mechanisms, including customer and community ownership options, and community engagement in identifying critical facilities
- Zip code(s) where funds are deployed

Program Objectives & Proposed Metrics

Increase clean energy workforce opportunities and ensure alignment with existing initiatives.

- Number of new jobs as a result of the proposed resilience project
- Number of Maine high school, community college, university and secondary career and technical education (CTEs) graduates
- Training programs or opportunities created as a result of the proposed resilience project
- Zip code(s) where funds are deployed

Align with ongoing electric grid modernization and state policy climate goals while mitigating disproportionate energy burdens.

- Avoided air pollutants (CO2 equivalents, NOx, SO2 and/or PM2.5) in the community or communities
- Size (MWh) of clean energy resources the project supports
- Energy burden of residential customers in the community
- Number of customers that have access to real time or hourly energy usage data, electricity prices, and outage information in an online portal
- Number of customers using real-time, Time of Use (TOU), demand management, and other dynamic pricing and load management mechanisms either through a utility or third-party service provider
- Zip code(s) where funds are deployed

Equity Approach

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

Proposed Criteria

- **Community Benefits**

- The extent to which the proposed project provides benefits (such as improved resilience or decreased energy burden) to the electric grid, customer, and community;
- Incorporation of customer and community participation and feedback mechanisms, including but not limited to customer and community ownership options, and community engagement in identifying critical facilities;
- How community and labor engagement will lead to the creation of high-quality jobs in Maine;
- Justice40

- **Technical Merit & Feasibility**

- Proposed project cost and current stage of project planning;
- A demonstration of how the funds will aid in the successful completion of the project;
- If applicable, other existing funding sources;
- Alignment with Maine's climate goals and renewable energy targets;
- A description of how the project will fulfil at a minimum one of the core program objectives, while also at a minimum not undermining other core program objectives;
- Efficient use of program funds, for example through leveraging, matching or securitization;
- Demonstrated ability to comply with federal requirements

Methods for Awarding Funds

- GEO anticipates initiating a competitive process for project proposals by late spring or early summer 2023 (pending timing of DOE grant approval). Successful applicants will enter into a contract with GEO following written approval from DOE.
- At this time, GEO anticipates prioritizing projects that benefit areas identified as disadvantaged communities, indicate partnership with a community, and demonstrate increased community and economic resilience to extreme events while empowering electric customers and communities to be resilient to disruptive events.

Small Utility Set Aside

- The percentage of funding made available to small utilities that sell less than 4 million megawatt hours per year shall not be less than the percentage of customers in the State that are served by those entities
- The share of Maine's small utility set aside **can be no less than 25%**
- **25%** represents the minimum amount set aside for small utilities and does not limit additional funding allocations for small utilities

What's Next?

- GEO will consider input received in today's hearing as well as comments submitted on the draft posted to GEO's website
- Extended comment deadline to **next Friday, Feb. 17**. Comments submitted before this date may be taken into consideration in preparing the GEO's application.
- GEO will submit the full application to DOE before March 31, 2023.
- Competitive solicitation for project proposals by early summer 2023

Public Comment

Please use the “Raise Hand” function if you would like to make a public comment. Questions can also be submitted via the chat function.

If you have follow-up questions, please reach out to Allie Rand at allie.rand@maine.gov.

Potential Topics for Participant Feedback

- Are there additional or alternative program objectives, metrics and criteria that the GEO should consider, in alignment with the federal requirements?
- How might the GEO best support partnerships between eligible applicants and communities?
- What technical assistance do you anticipate requiring to support an application?
- How can the GEO best align this work with ongoing resilience work across the state?