

Introduction to Grid Resilience Formula Funding from the IIJA

Section 40101(d) Preventing Outages and
Enhancing the Resilience of the Electric Grid
Formula Grants to States and Indian Tribes

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Washington State
Department of
Commerce

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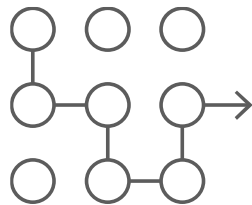
INFRASTRUCTURE



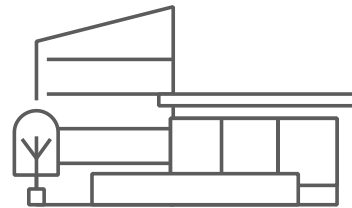
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Virtual meeting reminders



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Agenda

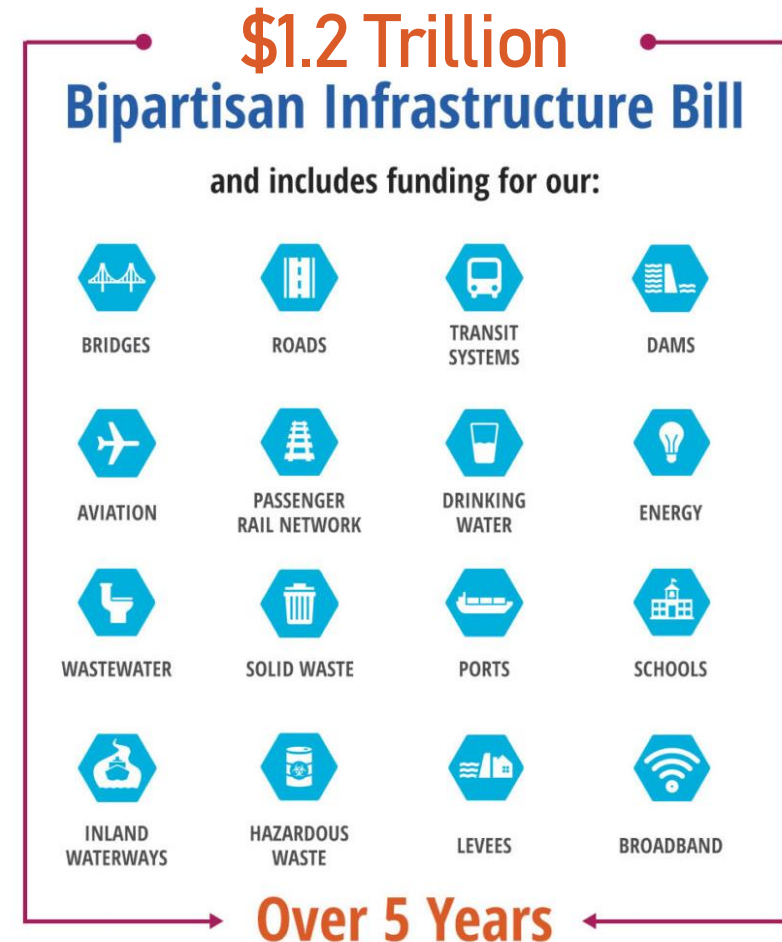
- Overview of the DOE Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grants to States and Indian Tribes funding opportunity (Section 40101(d) of the IIJA)
- Timeline and process for Washington application
- Future opportunity to engage on program development
- Q&A

Infrastructure Investment and Jobs Act

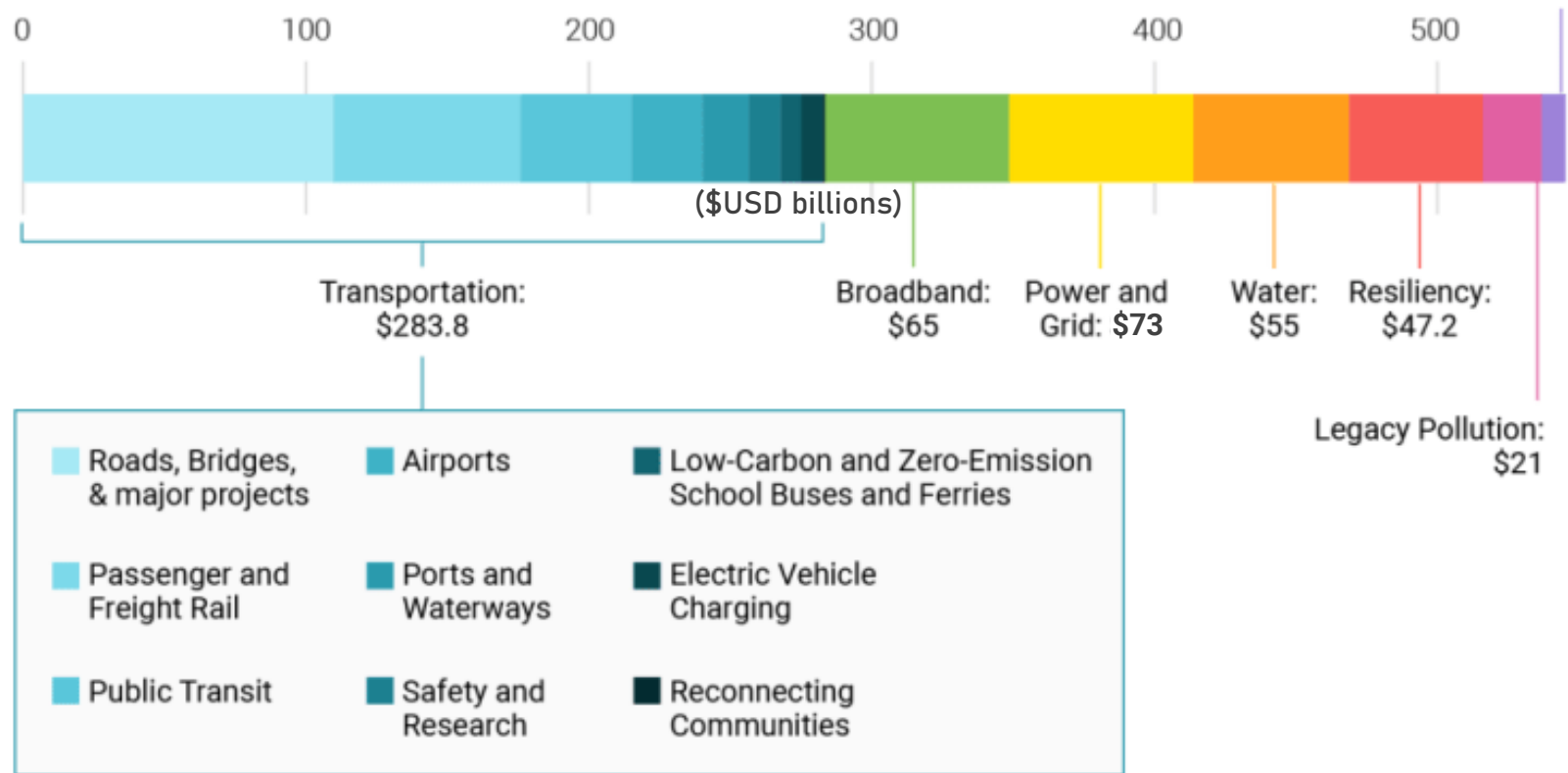


Infrastructure Investment and Jobs Act

- AKA, “The Bipartisan Infrastructure Law”, IIJA, BIL
- Passed Nov. 6, 2021
- Historic investment in nation’s core infrastructure priorities
- Includes rural infrastructure development and dedicated new funds for major projects



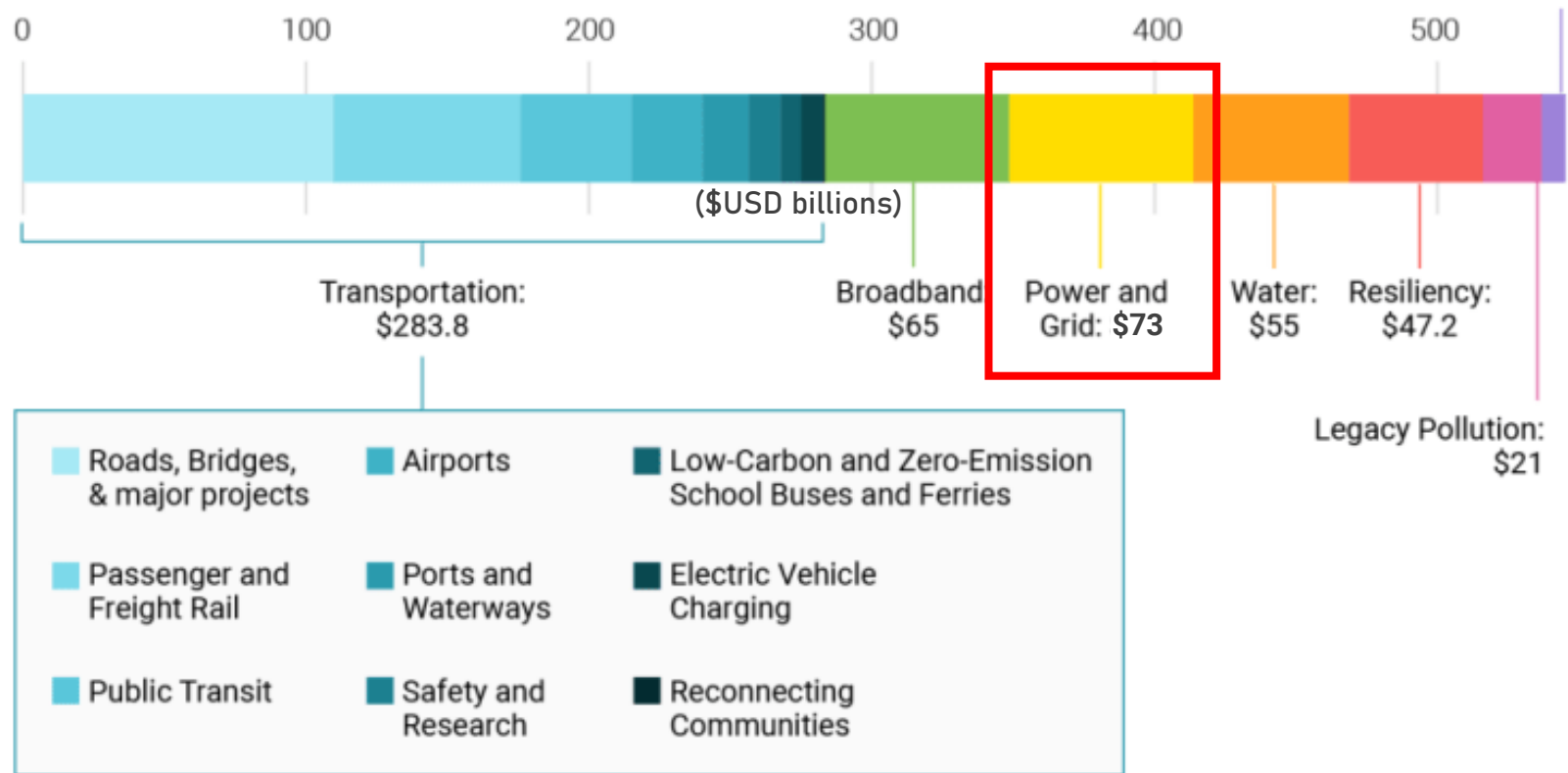
\$550B in new spending in IIJA



Source: Bipartisan Infrastructure Investment and Jobs Act Summary

B Metropolitan Policy Program
at BROOKINGS

\$73B in for Power and Grid in IIJA



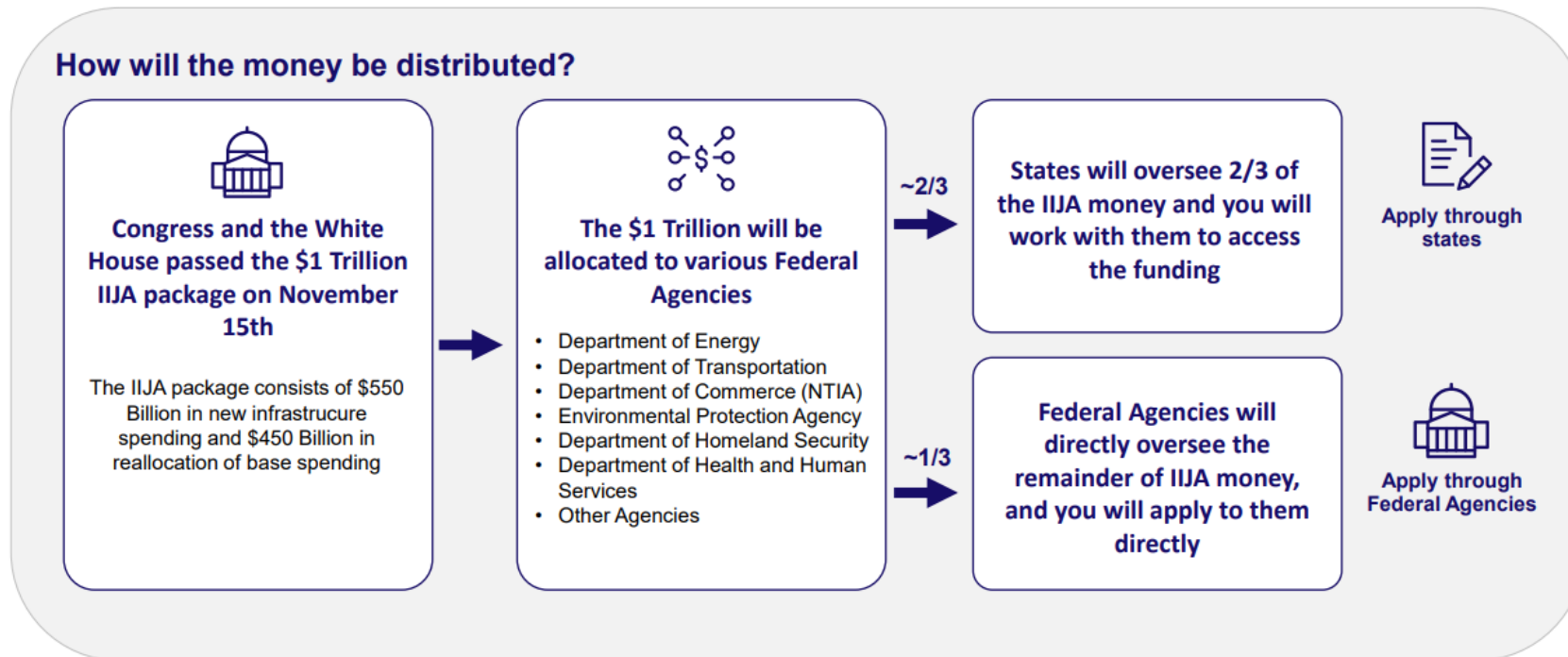
Source: Bipartisan Infrastructure Investment and Jobs Act Summary

B Metropolitan Policy Program
at BROOKINGS

Around 2/3 of all funding goes through states

Flow of IIJA Funding

About two-thirds of the \$1T in IIJA funding will flow through the states to sub-grantees while the remaining one-third will be available through direct applications through the federal agencies.



Program Overview



Grid Resilience Formula Grants – 40101(d)

Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grants to States and Tribes (Section 40101(d) of the IIJA):

- Improve the all-hazards resilience of the electric grid against disruptive events.
- Generate the greatest community benefit in reducing the likelihood and consequences of disruptive events.
- Advance DOE's equity, environmental and energy justice priorities, including the Justice40 Initiative.
- Invest in America's workforce.

Grid Resilience Formula Grants – 40101(d)

Application Timeline:

- DOE FOA released July 6, 2022
- State applications to DOE due Sept. 30, 2022

Lead Agency:

- Washington State appointed the Department of Commerce as the sole entity within the State to apply for, receive, and administer State funding under Section 40101(d) of the IIJA. Commerce will be working closely with the UTC and Governor's office in administering this program.

Commerce can sub-award to eligible entities

Eligible DOE Formula Grant Applicants

- States
- Indian Tribes
- U.S. Territories
- Eligible applicants may further subgrant to “eligible entities” as defined in the IIJA

Subgrant Eligible Entities

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

Allocations to States and Tribes

DOE allocates funding annually to states and Tribes

Formula includes population, land area and the historical precedence for experiencing disruptive events.

- **Washington Allocation:** \$11,726,165/year for fiscal years 2022-2026
- **Tribal Allocations:** see website for breakdown of allocation for Federally Recognized Tribes. Total = ~\$8.7 million/year

Allocations

- States and Tribes (DOE Applicants) required to match 15% of DOE funds received.
 - **WA year 1 match requirement: \$1,758,925**
- Eligible entities that receive a subgrant from Commerce are required to match at minimum 100% of the subgrant.
 - UNLESS a subgrant entity sells 4M megawatt hours of electricity or less per year, the required match is one-third of the amount awarded to the subgrantee.
- May use not more than 5 percent for:
 - (A) providing technical assistance **and**
 - (B) administrative expenses associated with the program

Small utilities set aside

The State shall ensure that 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 that are served by those eligible entities.



Eligible projects

The types of resilience investments permitted under this program include:

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

Eligible projects

- Funding may also be used for the training, recruitment, retention, and reskilling of skilled and properly credentialed workers in order to perform the work required for resilience measures

Ineligible projects

- Resilience measures **that are not allowed** include:
 - Construction of a new - a) electric generating facility; or b) large-scale battery-storage facility that is not used for enhancing system adaptive capacity during disruptive events
 - Cybersecurity

State application requirements

- Program Narrative Template
- SF-424 - BIL 40101(d)
- SF-LLL Disclosure of Lobbying Activities
- Environmental Questionnaire
- Pre-Award Information Sheet
- Public Hearing

Commerce must submit application to DOE by September 30, 2022

Application requirements: Program Narrative

- Objectives and Metrics
- Criteria
- Methods
- Funding Distribution
- Equity Approach
- Technical Assistance and Administration
- Public Notice and Hearing

Application requirements: Program Narrative

Objectives

3-5 objectives for guiding resilience investment decisions used to develop a planning framework for resilience to address all-hazards including future climate implications.

At a minimum, the objectives and metrics should address:

- resilience and energy justice concerns
- how the project will use strong labor standards

Application requirements: Program Narrative

Metrics

To accompany the objectives to measure outcomes associated with improving resilience, creating good-paying jobs with the free and fair choice to join a union, and advancing energy justice.

Application Requirements: Program Narrative

Criteria

Used for selecting and determining the awards to eligible entities. At a minimum, the criteria should address:

- Priority should be given to projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events,
- The percentage made available to eligible entities that sell not more than 4,000,000 megawatt hours of electricity per year should not be less than the percentage of all customers in the State or Indian Tribe that are served by those eligible entities, and
- Awards should be provided to eligible entities for projects within the State or on the land of the Indian Tribe.

Application requirements: Program Narrative

Methods

- A description of the methods the applicant anticipates using for soliciting, awarding, and distributing funds.
 - i.e. competitive solicitations, direct awards, and the use of financial instruments, such as Green Banks
- A description of the methods the applicant anticipates using to track and make public the metrics to improve resilience by reducing the likelihood and consequences of disruptive events, to generate quality jobs, and to improve equity and community benefits.

Application requirements: Program Narrative

Funding Distribution

Provide a description of the proposed funding distributions and categories of recipients of the subgrants to be provided to eligible entities. Also, indicate preferences for eligible entities if they do not explicitly appear on the list of eligible entities provided in Section 40101.

Application requirements: Program Narrative

Equity Approach

IIJA projects must not only contribute to energy technology and climate goals, but also

- (1) support workforce investment by including specific elements to accelerate job growth and job quality, including approaches to give workers a free and fair choice to join or form a union; and
- (2) advance DOE's equity, environmental and energy justice priorities (Justice40 Initiative).

Application requirements: Program Narrative

- **Equity Approach**
 - Quality Jobs
 - Community Benefits:
 - Diversity, Equity, Inclusion and Accessibility

Provide an explanation of how the State or Indian Tribe will make such a determination for the projects that will be receiving funding and should include information on how the projects go beyond measures that are already being undertaken through current resilience planning by the State or Indian Tribe.

Application requirements: Public Hearings

Public hearings on state application

- Wednesday, Sept. 7, from 11 a.m. to 1 p.m.
- Monday Sept. 12, from 5 to 7 p.m.

Meeting information posted on website:

<https://www.commerce.wa.gov/growing-the-economy/energy/infrastructure-investment-and-jobs-act/>



Washington State
Department of
Commerce

www.commerce.wa.gov



Thank you!

Sarah Vorpahl