

IIJA Grid Resilience Funding Public Hearing

March 15, 2023



OREGON
DEPARTMENT OF
ENERGY

Infrastructure Investment and Jobs Act (IIJA) SECTION 40101(D)
FORMULA GRANTS TO STATES AND INDIAN TRIBES FOR PREVENTING
OUTAGES AND ENHANCING THE RESILIENCE OF THE ELECTRIC GRID

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IIJA Grid Resilience Funding Public Hearing

August 31, 2022

OREGON DEPARTMENT OF ENERGY

Infrastructure Investment and Jobs Act (IIJA) SECTION 40101(D) FORMULA GRANTS TO STATES AND INDIAN TRIBES FOR PREVENTING OUTAGES AND ENHANCING THE RESILIENCE OF THE ELECTRIC GRID

Participants (3)

- Shiela Me
- ODOE IT Host, internal
- Jane Doe

Chat

To: Everyone

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Second Raise Hand Option

You can also click on the hand next to your name in the Participant list to raise your hand.

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Participants (3)

- Shiela Me

Participants (3)

- Shiela Me

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Chat

Chat

from shiela@oregon.gov to everyone 12:59 PM

Hello to Everyone!

To: Everyone

Enter chat message here

You can chat to Everyone in the meeting.

Chat

from shiela@oregon.gov to everyone 12:59 PM

Hello to Everyone!

to Shiela (private) 1:00 PM

Hello to Shiela!

To: Shiela (Host)

From: shiela@oregon.gov

To: Shiela (Presenter)

You can send a private message to the Host or Presenter (or all Panelists when there is a Panel).



AGENDA

- About the Oregon Department of Energy
- Brief Overview of Energy Provisions in Infrastructure Investment and Jobs Act
- Overview of USDOE “Preventing Outages and Enhancing the Resilience of the Electric Grid” Funding Opportunity
- Proposed Oregon Grid Resilience Program
- Public Comments and Questions





OREGON DEPARTMENT OF ENERGY

Leading Oregon to a safe, equitable, clean, and sustainable energy future.

Our Mission

The Oregon Department of Energy helps Oregonians make informed decisions and maintain a resilient and affordable energy system. We advance solutions to shape an equitable clean energy transition, protect the environment and public health, and responsibly balance energy needs and impacts for current and future generations.

What We Do

On behalf of Oregonians across the state, the Oregon Department of Energy achieves its mission by providing:

- A Central Repository of Energy Data, Information, and Analysis
- A Venue for Problem-Solving Oregon's Energy Challenges
- Energy Education and Technical Assistance
- Regulation and Oversight
- Energy Programs and Activities

OBJECTIVES FOR TODAY'S PUBLIC HEARING

- To share information about IJA Grid Resilience Funding from USDOE
- To share ODOE's draft proposal, which covers the first two allocations of funding, to get input and feedback to improve it better align with utility grid resilience priorities and meet the objectives of the program
- To build on comments received through the ODOE Comment Portal with an opportunity for oral public comment

INFRASTRUCTURE INVESTMENT & JOBS ACT (IIJA)

The Infrastructure Investment and Jobs Act (PL 117-58) will fund the building and repairing of roads and bridges, deployment of broadband internet, strengthening of the electric grid and water systems, and much more.

It includes \$62 billion for USDOE to deliver a more equitable clean energy future for the American people by:

- Investing in American manufacturing and workers.
- Expanding access to energy efficiency and clean energy for families, communities, and businesses.
- Delivering reliable, clean, and affordable power to more Americans.
- Building the technologies of tomorrow through clean energy demonstrations.

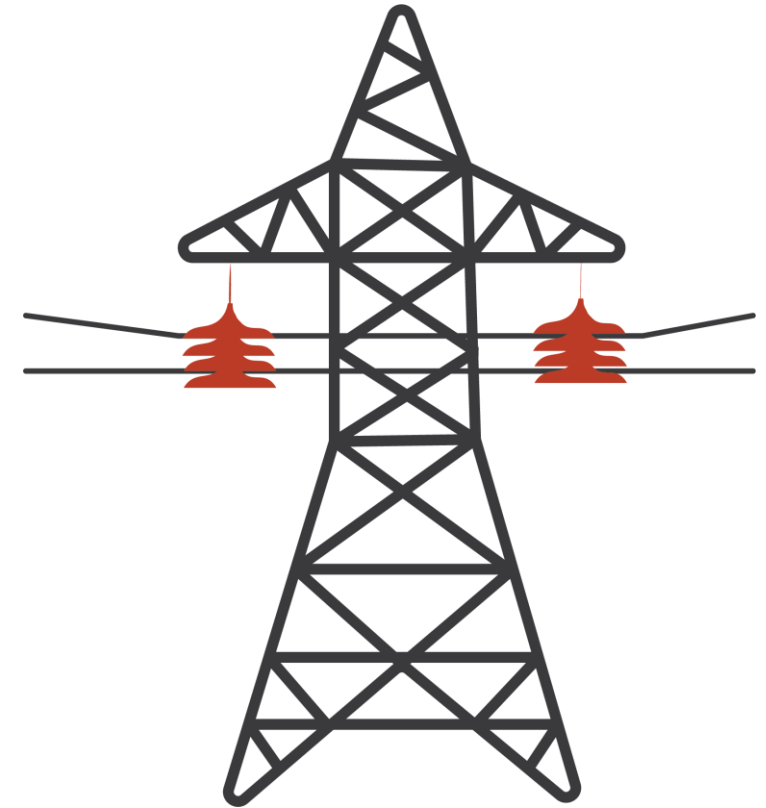
ODOE GUIDING PRINCIPLES

- Considering **equity at every step**, including geographic diversity. This will help ensure that the funds comply with the Biden-Harris Administration's Justice40 initiative to distribute at least 40% of the benefits to disadvantaged communities.
- Coordinating with **tribal governments** and communicating clearly, inclusively, and efficiently to ensure stakeholders and the public are informed and supported, and that they participate in federal funding opportunities.
- Where possible and internal resources allow, providing **technical assistance** to build community capacity and support grant recipients.
- Building **cross-agency partnerships** to leverage expertise and support historically underinvested work to further energy and climate goals and to provide other community benefits.
- Taking advantage of high-priority funding opportunities while ensuring quality work that puts **every available dollar to its best use**.

GRID RESILIENCE FORMULA GRANTS – 40101D

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 – 40101D

Initial Application Timeline:

Application due March 31, 2023 for first two allocations of funds

Lead Agency:

The **Oregon Department of Energy** will be the agency applying for, receiving, and administering State funding under Section 40101(d) of the IJA



USDOE's Funding Opportunity Announcement for IJA Section 40101(d) can be accessed here:
<https://netl.doe.gov/bilhub/grid-resilience/formula-grants>

ELIGIBILITY FOR GRID RESILIENCE FORMULA GRANTS

Eligible DOE Formula Grant Applicants

- States
- Indian Tribes
- U.S. Territories
- Eligible applicants may further sub-grant to eligible entities as defined in the IJA

Subrecipient Eligible Entities

- An electric grid operator
- An electricity storage operator
- An electricity generator
- A transmission owner or operator
- A distribution provider
- A fuel supplier

GRID RESILIENCE FORMULA GRANTS – 40101D

Funding Amount:

- Legislation set five-part formula based on population, area, probability of disruptive events, severity of disruptive events, and expenditure on mitigation efforts.
 - **Initial Allocation to Oregon** (~\$50 M total over 5 years).
 - Year 1: \$9,962,272
 - Year 2: \$9,945,032

Match Requirements:

- States and Tribes (Applicants for USDOE fund) required to match 15% of DOE funds received.
 - **State match requirements for initial allocations:** \$2,986,096 (~7.5 million over 5 years).
- Eligible entities that receive a subgrant from ODOE also required to match.
 - Large Utilities: Entities that sell more than 4,000,000 MWh annually are required to match funds at 100%.
 - Small Utilities: Entities that sell less than 4,000,000 MWh annually are required to match 1/3 of funds.

ELIGIBLE ACTIVITIES UNDER THE GRID RESILIENCE FORMULA GRANT PROGRAM

- Weatherization technologies and equipment
- Fire-resistant technologies and fire prevention systems
- Monitoring and control technologies
- The undergrounding of electrical equipment
- Utility pole management
- The relocation of power lines or the reconductoring of power lines with low-sag, advanced conductors
- Vegetation and fuel-load management
- 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
- Hardening of power lines, facilities, substations, of other systems; and
- The replacement of old overhead conductors and underground cables.

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; or Cybersecurity

FEDERAL REQUIREMENTS FOR PROJECTS

- Regular reports on financials, project progression, and metrics
- Davis-Bacon Act requirements for workers
- National Environmental Policy Act
- Build America Buy America Act
- All projects are subject to monitoring and audits by ODOE and US DOE
- These provisions apply to all aspects of the project, including those supported by matching funds.



Oregon Grid Resilience Draft Preliminary Objectives



Natural Hazards Mitigation. Invest in projects located in areas of the state directly affected by natural hazards.



Community Benefit & Equity. Invest in and engage with disadvantaged and Tribal communities.



Maximize Community Benefits. Support immediate investments in projects that provide community benefits as soon as possible.



Evaluating for Future Funding Years.

OREGON GRID RESILIENCE DRAFT FUNDING DISTRIBUTION

Maximum Awards: Large utilities with sales exceeding 4 million MWH / year

- Large utility awards limited to the utility's proportionate share of the state's electricity sales among all large utilities.

| Large Utility Category | | | |
|------------------------|------------|------------|-----------------------|
| Utility | MWH Sales | % of Sales | Approximate Max Award |
| PGE | 18,296,054 | 49% | \$ 6,820,925 |
| Pac | 13,510,324 | 36% | \$ 5,036,764 |
| Idaho Power | 685,578 | 2% | \$ 255,589 |
| Umatilla Electric | 4,886,784 | 13% | \$ 1,821,835 |

OREGON GRID RESILIENCE DRAFT FUNDING DISTRIBUTION

Maximum Awards: Small Utilities

- Federal guidelines require funds proportional to the number of customers served by small utilities.

| Small Utility Category | | | | |
|------------------------|---------------------|----------------------|------------|--------------------|
| Utility | Number of Customers | % of Total Customers | % of Sales | Proposed Max Award |
| Small COOP | 201,121 | 10% | 8% | \$ 600,000 |
| Muni | 198,812 | 10% | 9% | \$ 600,000 |
| PUD | 120,752 | 6% | 9% | \$ 600,000 |
| Totals | 520,685 | 25% | 27% | |

OREGON GRID RESILIENCE DRAFT FUNDING DISTRIBUTION

Two-year Budget Summary

| | |
|--|---------------|
| Estimated Total Budget | \$ 19,907,304 |
| Estimated Subgrants Budget (95%) | \$ 18,911,939 |
| Small Utility, % of Customers | 25% |
| Proposed Small Utility Carveout | 30% |
| Proposed Small Utility Minimum Budget | \$ 5,673,582 |
| Proposed Small Utility Max Award | \$ 600,000 |
| Estimated Number of Small Utility Awards | 10 |
| Proposed Large Utility Budget | \$ 13,238,357 |

OREGON GRID RESILIENCE DRAFT FUNDING PRIORITY

Preliminary Funding Priority

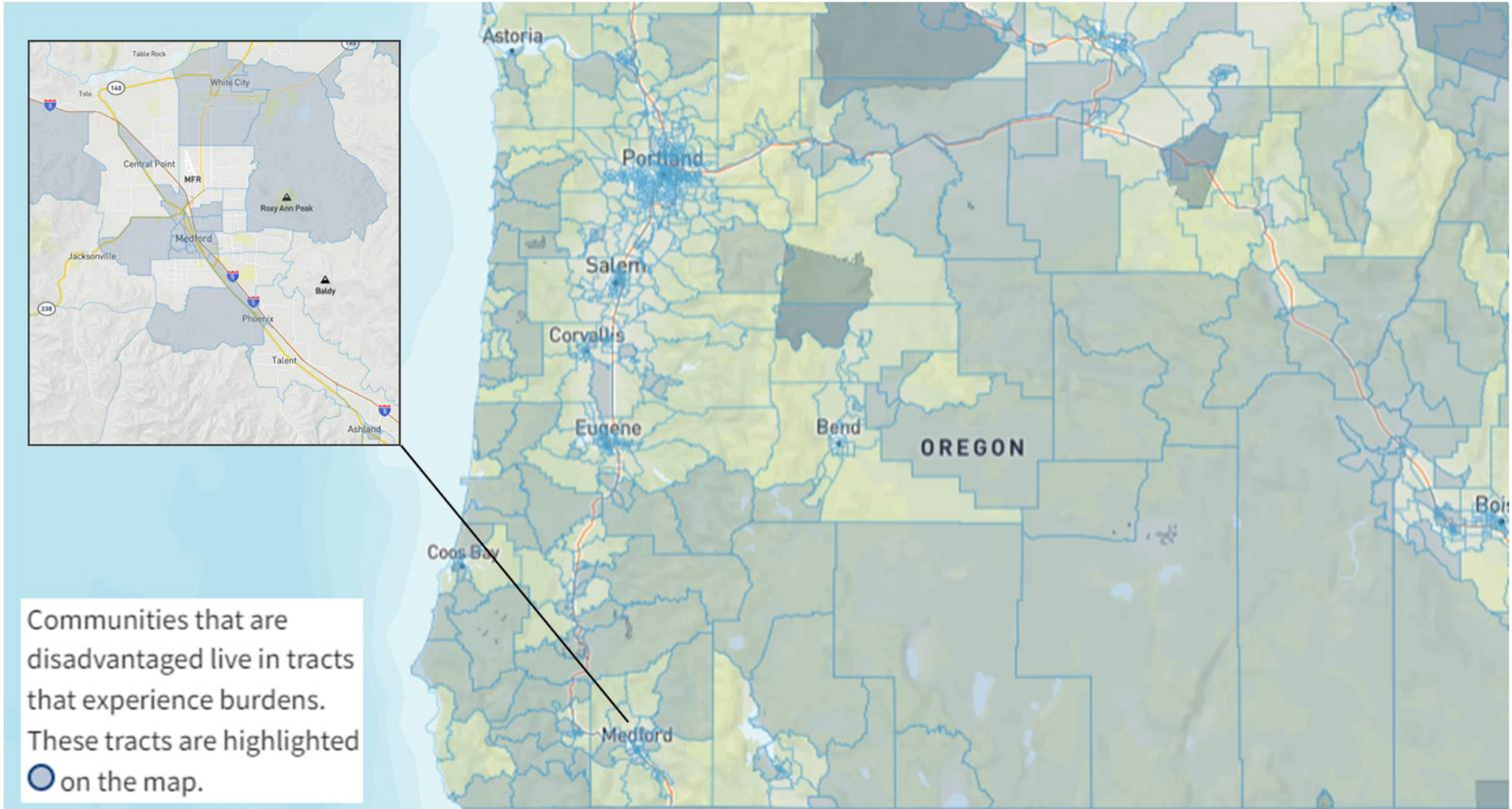
Natural Hazard Mitigation

Project generates community benefit by reducing risk in areas directly affected by natural hazards.

Equity

Project benefits disadvantaged communities or Oregon's 9 federally recognized Tribes.

Climate and Economic Justice Screening Tool



METHODS OF AWARD

- Grant opportunities will be posted to ODOE website for a minimum of 60 days.
- Program requirements, scoring matrix, minimum score, Q&A period, application form, and timeline posted with opportunity announcement.
- At the end of each application period, ODOE will confirm project eligibility and complete a competitive review.
- Notice of successful and unsuccessful applications will follow the competitive review.

OREGON GRID RESILIENCE DRAFT OBJECTIVES AND METRICS (Part 1)

Objective 1: Mitigate natural hazard risks to utility distribution systems by supporting grid infrastructure improvement projects.

- ✓ Frequency of electricity service disruptions associated with natural hazards.
- ✓ Duration of electricity service disruptions associated with natural hazards.
- ✓ Number of utility customers affected by service disruptions associated with natural hazards.

Objective 2: Deliver benefits to disadvantaged communities:

- ✓ Number of service disruptions in disadvantaged communities.
- ✓ Duration of electricity service disruptions in disadvantaged communities.
- ✓ Number of utility customers affected by services disruptions associated with natural hazards.

OREGON GRID RESILIENCE DRAFT PRELIMINARY METRICS (Part 2)

Objective 3: Maximize community benefits that complement grid resilience projects. Benefits may include any item, action, or plan that brings value to a community. Examples include economic development, workforce development, utility operational improvements, environmental benefits, pollution reduction, or any other services that bring value to an Oregon community.

- ✓ Number of awards demonstrating coordination with county, municipal, or other public bodies with overlapping jurisdictions and interests associated with proposed infrastructure improvement projects.
- ✓ Number of awards demonstrating collaboration with stakeholders representing local community interests.
- ✓ Number of awards demonstrating coordination with communications, broadband, water, sewer, or any other community service provider that that be able to reduce costs or improve by coordinating upgrades with proposed projects.
- ✓ Number of workers employed in Davis-Bacon covered positions on awarded project
- ✓ Estimated hours of reduced runtime of diesel or other fossil fuel generators.

OREGON GRID RESILIENCE DRAFT PRELIMINARY METRICS (Part 3)

Objective 4: Develop refined objectives, metrics, and criteria for future years of the program to ensure program funds address the most pressing grid resilience investments, support disadvantaged communities across Oregon, and recognize any new objectives developed during early program implementation.

- ✓ Report on lessons learned from first two allocations of program funding, summarize and consider those lessons in next application cycle.

WAYS TO ENGAGE

- 1 Submit comments on online portal:**
<https://odoe.powerappsportals.us/en-US/iijacomments/>
The online portal for Public Comment will close Friday, March 17, 2023 at 5 p.m.
- 2 Apply for funds:** Look for an opportunity announcement in late 2023, partner with your local utility on an application.
- 3 Join the Team:** ODOE will be hiring for positions to assist with distribution of funding. For hiring opportunities at ODOE, visit: www.Oregon.gov/energy/About-Us/Pages/Jobs.aspx
- 4 Future opportunities to provide feedback:** ODOE will be working with a consultant to engage with stakeholders during program design this spring.

NEXT STEPS

- ODOE to submit application to US DOE no later than March 31, 2023.
- ODOE intends to publish the final scope of work from our award agreement on our website after approval from US DOE, as changes may be negotiated as part of the federal review process.
- ODOE expects to receive the award agreement for the state in Summer 2023.

PUBLIC COMMENT

- Raise your hand and you will be called on to unmute yourself.
- Type your question in the chat window.
- Introduce yourself by stating your name and affiliation.
- Keep comments/questions under 3 minutes to allow time for others.
- Weigh in on ODOE's comment portal by March 17:
<https://odoe.powerappsportals.us/en-US/iijacomments/>



Thanks for joining us!

Contact: Emily.Salmeri@energy.oregon.gov

Comment Portal: <https://odoe.powerappsportals.us/en-US/iijacomments/>

ODOE Webpage: <https://www.oregon.gov/energy/energy-oregon/Pages/IIJA.aspx>



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