IIJA Grid Resilience Funding Public Hearing

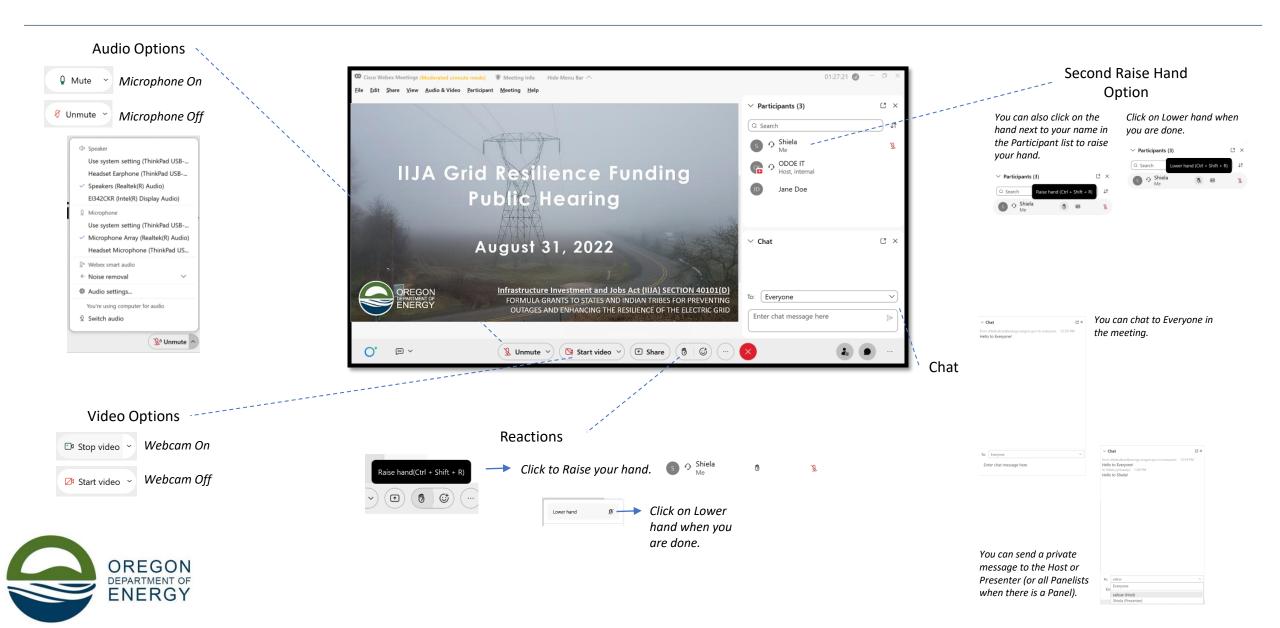
August 31, 2022



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

WELCOME TO WEBEX



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
- Future Engagement Opportunities
- 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 IIJA Grid Resilience Funding from USDOE
- To share ODOE's draft proposal for the year one of the funding, to get input and feedback to improve it, to align with utility grid resilience priorities, and to better meet the objectives of the program
- To build on comments received through the ODOE Comment Portal with an opportunity for oral public comment
- To begin the conversation about priorities, objectives, and criteria for years two through five of the program.



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.









STATE ENERGY PROGRAM

\$5.6 Million in funding to the Oregon Department of Energy to support investments in clean energy, energy efficiency, and resilience.

ENERGY EFFICIENCY

\$3.2 Million for capitalization of an energy efficiency Revolving Loan Fund and Energy Efficiency and Conservation Block Grant program at the Oregon Department of Energy, which will support energy efficiency investments in Oregon communities.

WEATHERIZATION

\$34.7 Million for Oregon Housing and Community Services to support weatherization and energy conservation services for low-income households.







\$50 Million to the Oregon Department of Transportation to construct electric vehicle charging infrastructure.



RESILIENCE & RELIABILITY

\$50 Million. USDOE will allocate about \$50 million to Oregon to make investments that enhance the resilience and reliability of the electric grid.



ENERGY AUDITOR TRAINING

Up to \$2 Million. USDOE will competitively offer \$40 million to U.S. states to train energy auditors to help home business owners identify opportunities save energy and money by using less energy.



INFRASTRUCTURE INVESTMENT & JOBS ACT (IIJA)

We sought <u>public feedback</u> on our overall approach to IIJA funding through two webinars and a comment portal to set priorities in mid-July 2022. Although we're continuing to develop and refine those priorities, we recognize there is a need to:

- Consider equity at every step;
- Facilitate regular communication; and
- Provide technical assistance to build community capacity and support grant recipients

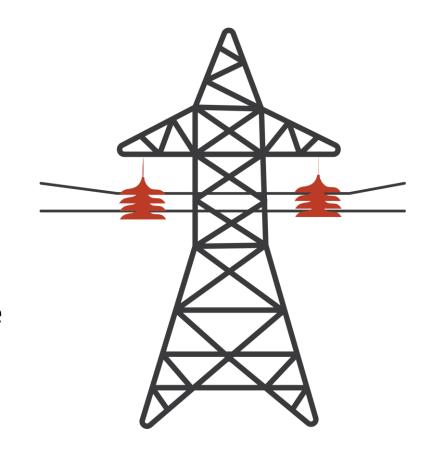




GRID RESILIENCE FORMULA GRANTS - 40101D

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

2022 Application Timeline:

- July 6 USDOE Funding Opportunity Announcement
- September 30 Applications Due

Lead Agency:

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





ELIGIBILITY FOR GRID RESILIENCE FORMULA GRANTS

Eligible DOE Formula Grant Applicants

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

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

Match Requirements:

- States and Tribes (Applicants for USDOE fund) required to match 15% of DOE funds received.
 - Oregon Year 1 match requirement: \$1,494,341 (~7.5 million over 5 years).
- Eligible entities that receive a subgrant from ODOE also required to match.
 - Entities that sell more than 4,000,000 MWh annually are required to match funds at 100%
 - 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.





This list is not exhaustive. Utility applicants will be required to certify that they have reviewed all terms and conditions and are ready to comply as part of their application.

Oregon Grid Resilience Program Proposed Approach

Year 1

- Provisional, targeted approach
- Focus on administrative efficiency
- Commit all state formula funds
- Provide funding to actionable projects that are ready-to-go
- Form Advisory Committee to inform Years 2-5

Years 2 - 5

- Advisory Committee-informed objectives and metrics will prioritize projects that:
 - Are identified by and located within disadvantaged and Tribal communities in alignment with Justice40 initiative;
 - Address grid disruptions associated with multiple hazards; and
 - Are aligned with mitigation strategies identified in the state Energy Security Plan (required by IIJA, in progress)

Oregon Grid Resilience Draft Preliminary Objectives



Wildfire Risk Mitigation. Invest in projects located in areas of the state recently and directly affected by wildfire or at high risk of wildfire.



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



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



Quality Jobs. Invest in projects that meet strong labor protections and standards.

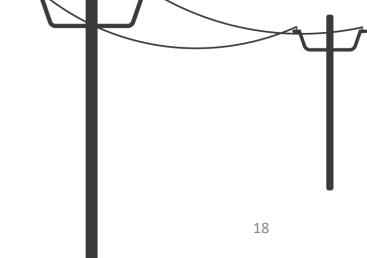


Prepare For Future Funding Years. To work with an advisory committee to design objectives, metrics, and criteria for years 2-5 of the program that support an all-hazards approach informed by the State Energy Security Plan and key stakeholders that prioritizes projects identified by and located within disadvantaged communities and/or Tribal Communities.

OREGON GRID RESILIENCE DRAFT FUNDING DISTRIBUTION

Of the \$9,962,272 in Federal funds available in the first year, ODOE proposes to make at least 95% available in grants to electric utilities.

- The funding announcement requires that a minimum amount of the funds (based on the share of customers served) by made available to small utilities
- To implement this requirement, ODOE proposes that of the 95%:
 - 40% will be made available to Consumer-Owner Utilities
 - 60% will be made available to Investor-Owned Utilities





OREGON GRID RESILIENCE DRAFT PRELIMINARY CRITERIA

Priority Round

Wildfire Mitigation

Project generates community benefit by reducing risk in areas directly affected by wildfire or are at high risk of wildfire.

Equity

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

State Emergency Response

Project serves a public facility that supports state emergency response coordination capabilities.



OREGON GRID RESILIENCE DRAFT PRELIMINARY CRITERIA

Projects will be eligible for the **Priority Round** provided that the applicant demonstrates at least one of the minimum criteria has been achieved:

- 1. Wildfire: The project will deliver community benefits by locating in an area recently impacted by wildfire or at high-risk of wildfire, as determined by the following:
 - a) Determination by utility to be an area at high-risk of wildfire (e.g., a High-Risk Fire Zone or Fire High Consequences Area in a utility wildfire plan filed with the Oregon Public Utility Commission); and,
 - b) The project is located in an area of the state identified by ODOE on a map developed for this program that was either recently impacted by wildfire or at high-risk of wildfire (more on the following slides)
- **2. Statewide emergency coordination:** The project is located on the premises of, or otherwise directly serving (e.g., a distribution line or substation), a public facility that has been identified as the State Emergency Coordination Center.

Priority Round Criteria: Wildfire



Counties eligible for Individual Assistance included:

- Clackamas
- Lincoln

Marion

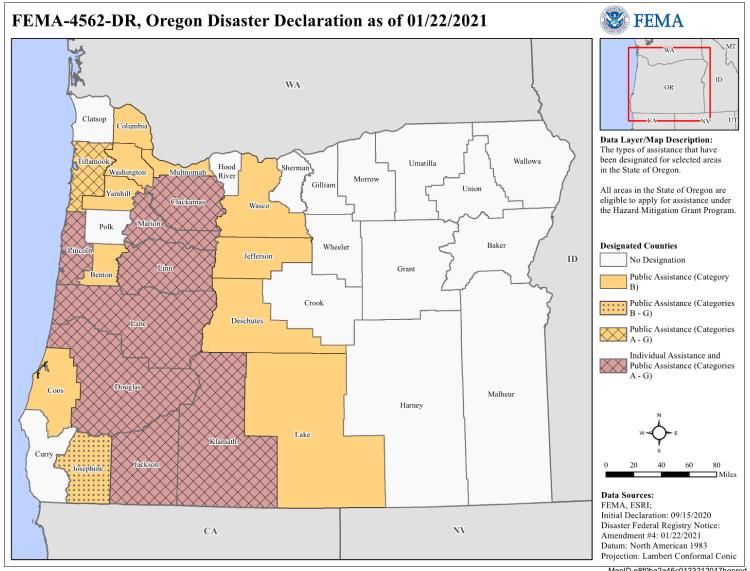
Douglas

Linn

Jackson

Lane

Klamath



Source: FEMA-4562-DR

Priority Round Criteria: Wildfire

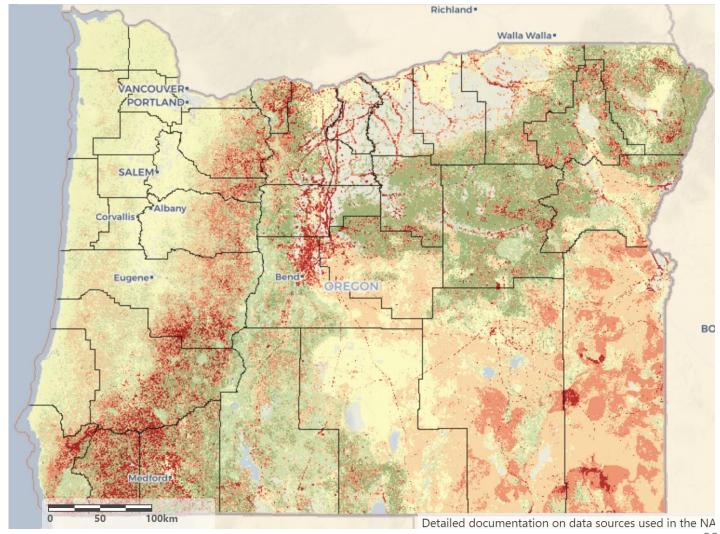


Hazards

Wildfire

Pacific Northwest Quantitative
Wildfire Risk Assessment Data (2018)

Overall Wildfire Risk



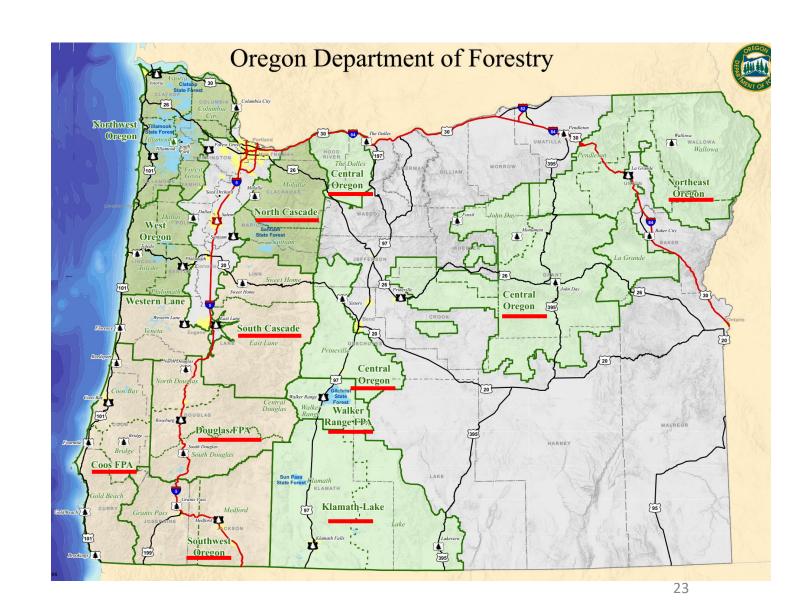
Source: Oregon Explorer Map

Priority Round Criteria: Wildfire



ODF Forest Protection Districts:

- A. Central Oregon
- B. North Cascade
- C. South Cascade
- D. Douglas FPA
- E. Coos FPA
- F. Southwest Oregon
- G. Walker Range
- H. Klamath Lake
- I. Northeast Oregon



Source: ODF – Forest Protection Districts

OREGON GRID RESILIENCE DRAFT PRELIMINARY CRITERIA cont.

Projects will be eligible for the **Priority Round** provided that the applicant demonstrates at least one of the minimum criteria has been achieved:

- **3. Disadvantaged Communities:** The project will benefit disadvantaged communities or Oregon's 9 federally recognized Tribes, as determined by:
 - a) The project is located in a community identified by the Climate and Economic Justice Screening Tool or the U.S. Department of Energy's Energy Justice Dashboard; and,
 - b) The applicant has submitted a *Community Engagement Addendum* with its application to demonstrate the project has community support and a robust plan for continued community engagement.

Priority Round Criteria: Disadvantaged Communities

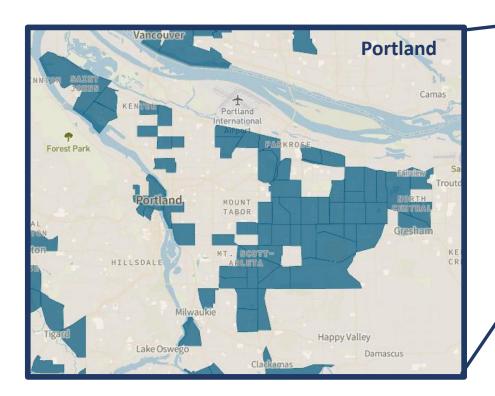


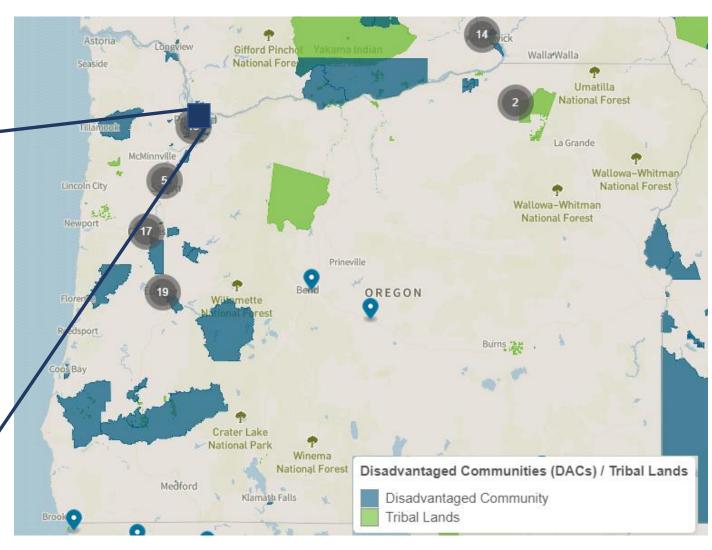
Source: CEJ Screening Tool (BETA)

Priority Round Criteria: Disadvantaged Communities



Office of Economic Impact and Diversity





Source: USDOE Energy Justice Dashboard (BETA)

OREGON GRID RESILIENCE DRAFT PRELIMINARY CRITERIA

General Round

Resilience

Project would mitigate impacts of any hazard in a utility service territory.

Previously Identified

Project would mitigate hazard previously identified in a plan published by the utility applicant or by a community or jurisdiction that the utility serves.



OREGON GRID RESILIENCE ADDITIONAL INFORMATION

Project Selection:

- Direct award approach in first year
- Utility applicants to demonstrate compliance with eligibility requirements
- ODOE completes eligibility and technical review
- If requests exceed available funds, ODOE will identify a process to select awards, which may include selecting projects on a first-come, first-served basis or a randomized lottery, or a combination of the two.

Match Requirements:

- Investor-owned utilities (large utilities, as defined) will be required to provide 100% match for any award.
- Consumer-owned utilities (small utilities, as defined) will be required to provide 1/3 match for any award.

Maximum Awards:

- Large utilities may request a maximum award(s) equal to, but not to exceed, a percentage of all funds available in the Priority Round for IOUs (that is, 60% of total funds available) that equals the utility's proportionate share of the state's electricity sales among all large utilities. ODOE staff has preliminarily calculated these percentages as:
 - PGE: 56.0% | PacifiCorp: 41.8% | Idaho Power: 2.1%
- The maximum award(s) will not exceed \$400,000 per **small utility** in the Priority Round.

OREGON GRID RESILIENCE DRAFT PRELIMINARY METRICS (Part 1)

Wildfire Risk Mitigation or Benefits to Disadvantaged Communities or 9 federally recognized Tribes:

- ✓ Number of projects funded by measure type
- ✓ Number of customers anticipated to benefit from the project
- ✓ Number of projects located in areas affected by or at risk of wildfire
- ✓ Number of projects and customers in disadvantaged communities

Support immediate investments in projects that provide community benefits as soon as possible:

- ✓ Number of applications determined to be adequately scoped and ready for funding
- ✓ Average time from notice of full award to start of construction

Invest in projects that meet strong labor protections and standards:

- ✓ Number of hours worked on this project by subrecipients and contractors (if applicable)
- ✓ Average wage paid to workers covered by Davis-Bacon requirements
- ✓ Number of women, minority individuals, veterans, and/or people with disabilities performing work under Davis-Bacon covered employment



OREGON GRID RESILIENCE DRAFT PRELIMINARY METRICS (Part 2)

Invest in and engage with disadvantaged and 9 federally recognized Tribes:

- ✓ Number of individuals contacts by the program
- ✓ Number of organizations contacted about the program
- ✓ Number of conversations with disadvantaged communities about the program
- ✓ Number of communications with Tribal communities about the program
- ✓ Number of COBID certified firms who apply for contracts under the grant-funded projects

To work with an advisory committee to design objectives, metrics, and criteria for years 2-5 of the program that support an all-hazards approach informed by the State Energy Security Plan and key stakeholders that prioritizes projects identified by and located within disadvantaged communities and/or Tribal Communities:

- ✓ Number of public meetings held for formulating future approach
- ✓ Number of individuals participating from disadvantaged communities and/or Tribal communities



GRID RESILIENCE ADVISORY COMMITTEE

ODOE will establish a Grid Resilience Advisory Committee

- Include representatives from disadvantaged communities; environmental justice communities; 9 federally recognized Tribes; investor-owned utilities; consumer-owned utilities; consumer advocates; the Public Utility Commission; the Department of Emergency Management; the Interagency Hazard Mitigation Team; and the Governor's Office to participate as committee members.
- Convene not less than three public meetings
- Propose recommendations related to objectives and metrics for future years of the program based on a broader all-hazards approach and aligning with Oregon's Energy Security Plan





WAYS TO ENGAGE

- Submit comments on online portal:
 https://odoe.powerappsportals.us/en-US/iijacomments/
 The online portal for Public Comment will close Friday, September 2, 2022 at 5 p.m.
- Advisory Committee: Let us know if you are interested in engaging with the advisory committee to refine program for future years
- Apply for funds: Look for an opportunity announcement in early 2023, partner with your local utility on an application
- 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



NEXT STEPS

- Legislative Emergency Board Request Week of September 20
- Submission no later than September 30, 2022
- 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 anticipates finalizing the federal award in late 2022/early 2023
- Grid Resilience Advisory Committee: stay tuned for more information



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 September 2: https://odoe.powerappsportals.us/en-US/iijacomments/
 - View the <u>list of prompting questions</u>





Thanks for joining us!

Contact: Jennifer.Senner@energy.Oregon.gov

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

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

