IIJA Grid Resilience Funding Public Open House

Salem and Warm Springs May 23 and 24, 2023

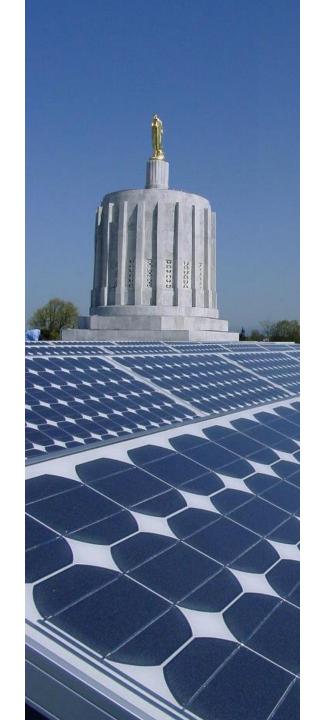


Infrastructure Investment and Jobs Act (IIJA) SECTION 40101(D)

FORMULA GRANTS TO STATES AND INDIAN TRIBES FOR PREVENTING OUTAGES AND ENHANCING THE RESILIENCE OF THE ELECTRIC GRID

AGENDA

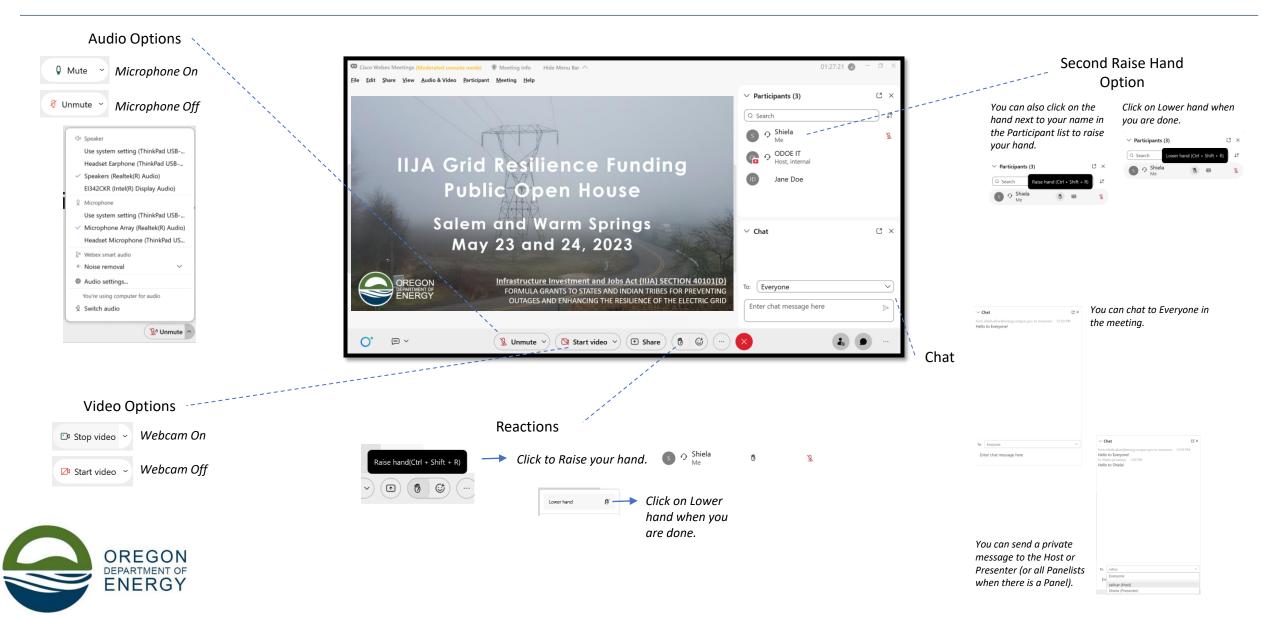
- 1. Welcome and Introductions
- 2. Quick IIJA and 40101(d) Refresher
- Overview of Process, Feedback, and Submitted Narrative for Oregon Grid Resilience Program
- 4. Competitive Review Process
- Minimum Application Requirements
- 6. Federal Requirements
- 7. Federal Funding Sources for Energy Sector
- 8. Next Steps



OBJECTIVES

- Develop a common understanding of requirements of the program
- Facilitate discussion and hear feedback on specifics of program design
- 3. Share information on federal requirements and other complementary funding

For Virtual Participants: WELCOME TO WEBEX



COMMENTING FOR VIRTUAL PARTICIPANTS

- 1. Raise your hand and you will be called on to unmute yourself.
- 2. Type your question in the chat window. We will have someone moderating the chat and in-person discussion.
- Introduce yourself by stating your name and affiliation.
- Keep comments/questions under 3 minutes to allow time for others.







OREGON DEPARTMENT OF ENERGY

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



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.



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

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.



GROUP INTRODUCTIONS

- Name
- Organization
- What brings you to this session?
- What information are you most interested in discussing?







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:

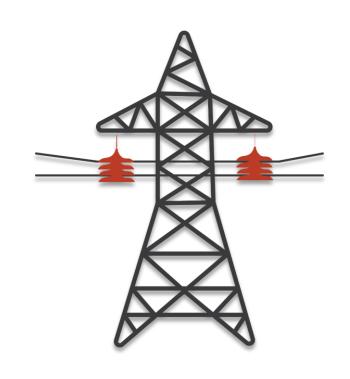
- Investing in American manufacturing and workers.
- Expanding access to energy efficiency and clean energy for families, communities, and businesses.
- Delivering reliable, clean, and affordable power to more Americans.
- Building the technologies of tomorrow through clean energy demonstrations.



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 Justice 40 Initiative.
- Invest in America's workforce.





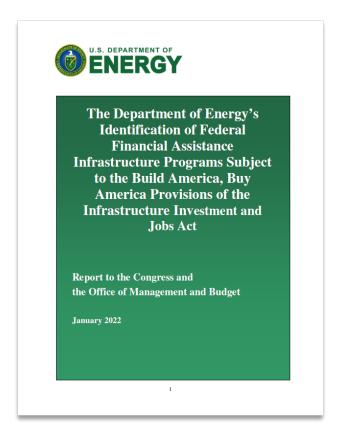
GRID RESILIENCE FORMULA GRANTS – 40101D

Application Timeline:

 Application was submitted April 18, 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 IIJA





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.



Overview of Process, Feedback, and Submitted Narrative



GRID RESILIENCE PROGRAM ACTIVITIES

Activities by ODOE:

- Development of **Draft Program Narrative**
- Public Hearings (August 2022 and March 2023)
- Request for Information (December 2022)
- Submission of Final Program Narrative to US DOE (April 2023)
- Public Open Houses (May 2023) to inform program design





STAKEHOLDER FEEDBACK IMPLEMENTED

ODOE implemented stakeholder feedback to the Draft Program Narrative:

- ✓ Broadened eligible measures
- ✓ Funding allocations for large and small utilities (Exceeded federal requirements for small utility funds)
- ✓ Removed maximum project award for small utilities
- ✓ **Broaden the definition of disadvantaged communities** beyond the US DOE Justice40 Screening Tool to include other indicators for vulnerable populations



OREGON GRID RESILIENCE 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%	40%
Proposed Small Utility Minimum Budget	\$ 5,673,582	\$7,564,776
Proposed Small Utility Max Award	\$ 600,000	No Cap
Estimated Number of Small Utility Awards	10	
Proposed Large Utility Budget	\$ 13,238,357	

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PROGRAM OBJECTIVES

Objective 1: Mitigate natural hazard risks and disruptive events to utility distribution.

Objective 2: Deliver benefits to disadvantaged communities.

Objective 3: Maximize community benefits that complement grid resilience projects.

Objective 4: Further refine program objectives, metrics, and criteria for future years to ensure program funds address the most pressing grid resilience needs.



ELIGIBLE ACTIVITIES UNDER THE GRID RESILIENCE FORMULA GRANT PROGRAM

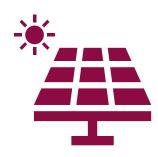
- Weatherization technologies and equipment
- Fire-resistant technologies and fire prevention systems
- Monitoring and control technologies
- The undergrounding of electrical equipment
- Utility pole management
- The relocation and reconductoring of power lines
- Vegetation and fuel-load management
- Some distributed energy resources including microgrids and batteries*
- Protection and advanced modeling technologies
- Hardening of power lines, facilities, substations, of other systems; and
- Measures do not include new generation or cybersecurity





PROGRAM NARRATIVE GROUP DISCUSSION

- As you review eligible measures for the Grid Resilience Program, which measures are you most interested in?
- Do you have any questions on the final Grid Resilience Program Narrative?







COMMUNITY BENEFIT

- Under Section 40101(d)(5), States and Indian Tribes are required to give priority to projects that would generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.
- Community benefits are based on a set of four core policy priorities:
 - 1. Investing in America's workforce
 - 2. Engaging communities and labor
 - 3. Advancing diversity, equity, inclusion, and accessibility
 - 4. Implementing Justice 40
- The U.S. Department of Energy requires Community Benefits Plans as part of all IIJA and IRA funding opportunity announcements (FOAs).
- Community Benefits Plans are intentionally flexible to generate the best approaches from applicants and their partners. Plans must be specific, actionable, and measurable.



COMMUNITY BENEFITS GROUP DISCUSSION

- How do you define community benefit?
- Do you have examples of past projects that could positively impact labor and workforce development?
- How do utilities already advance equity, diversity, inclusion, and access, and what more can be done to further these priorities?
- In general, what areas do you think community benefit requirements can have the greatest impact throughout Oregon?
- How can the community benefit requirements achieve the greatest impact through this program?



Invitation to Share Examples

COMMUNITY BENEFITS GROUP DISCUSSION

- How do you define community benefit?
- Do you have examples of past projects that could positively impact labor and workforce development?
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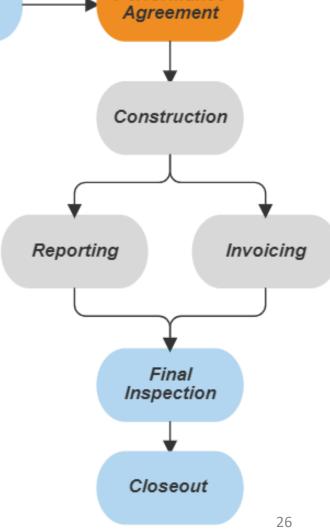


METHODS OF AWARD



- Program (CREP)
- 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.
- Prioritization of awards for technically sound projects that enhance energy resilience, serve disadvantaged communities, and maximize community benefits.
- Performance agreement will include all federal requirements





Performance

COMPETITIVE SELECTION CRITERIA

Proposed Criteria Categories	Proposed Scoring Weight
Project Readiness and Technical Viability	50%
Community Benefits	45%
Geographic and Technological Diversity	5%



COMPETITIVE SELECTION CRITERIA FROM C-REP (Part 1)

	Project Development	Points
А	Strength of project team: applicant provides a list of significant members, clearly defined roles, enough team members, experience of the team on similar projects, clear ownership and partners.	
В	Strength of project operations plan: applicant details how are they going to maintain and operate the project, how it will be adequately staffed and funded.	
С	Strength of project description: applicant adequately describes the project to be constructed	45
D	Strength of financial plan: applicant adequately demonstrates financial ability to complete and operate the project.	
E	Strength of construction plan and detailed schedule: applicant demonstrates construction will begin within 12 months of Performance Agreement and will be completed within 36 months. Clear lines of authority and duties outlined in the plan. Adequate description of project milestones and level of detail in the plan and schedule.	



COMPETITIVE SELECTION CRITERIA FROM C-REP (Part 2)

	Program Priorities and Project Benefits - Equity	Points
	Location in Community: Project is in a qualifying community	
	Communities Served: Project provides direct benefits to one or more qualifying communities.	
	Project Leadership: Applicant demonstrates members of qualifying communities are involved in the project	
	Community Partnerships: Applicant provides a description of the consultations with regional stakeholders and community groups, and any additional community engagement process as part of developing the grant application	
F	Community Outreach Plan: Applicant includes a community outreach plan that describes the participation and engagement by people of color, people experiencing lower incomes, members of tribal communities, people from rural communities, people from coastal communities, people from communities with limited infrastructure and members of other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including seniors, youth and people with disabilities.	10
	Equity Framework Evidence that a framework will be used by the applicant to guide project development, implementation or evaluation.	



COMPETITIVE SELECTION CRITERIA FROM C-REP (Part 3)

#	Program Priorities and Project Benefits (Continued)	Points
G	Demonstrates significant prior investments in energy efficiency measures at the project location or will result in aggregate improvements to demand response capabilities. Evidence may include utility or Energy Trust of Oregon project documentation or finance statements demonstrating investments.	5
Н	Project constructed in part or in whole by disadvantaged business enterprises, emerging small businesses, or businesses that are owned by minorities, women, or disabled veterans	2.5
I	Applicant includes information detailing the extent to which the project includes inclusive hiring and promotion polices	2.5
J	Strength of community energy resilience aspects of the project (how well does it support and increase the community energy resilience of structures or facilities that are essential to the public welfare, level of importance of the critical public services, how many people will it serve).	10
K	Project assists applicant in achieving goals included in the applicants' natural hazard mitigation plan as approved by the Federal Emergency Management Agency.	5



COMPETITIVE SELECTION CRITERIA FROM C-REP (Part 4)

#	Program Priorities and Project Benefits (Continued)	Points
L	Level of anticipated direct energy cost savings to families and small businesses (amount of savings predicted relative to the grant request amount, number of families and businesses that see direct savings, diversity and types of families and businesses that see the direct benefits).	5
M	Level of anticipated economic development (beyond job creation, will the construction project increase average incomes, ensure sustainable economic growth, innovation, workforce development, business retention and expansion, and promotion of an environment that supports entrepreneurship and small business development).	5
N	Level of anticipated local jobs directly created during construction, and directly sustained during operations, in relation to the size of the requested grant amount.	5
Project Diversity		
0	Geographic Diversity	2.5
Р	Diversity of technology/resource types/project size	2.5



COMPETITIVE SELECTION GROUP DISCUSSION

- What criteria should be included in the Grid Resilience program?
- In addition to sharing the selection process and finalized criteria on the ODOE website, are there additional ways to make this process more open and transparent?



COMPETITIVE SELECTION CRITERIA

Project Readiness

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COMPETITIVE SELECTION CRITERIA

Community Benefits

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OREGON GRID RESILIENCE MINIMUM APPLICATION REQUIREMENTS (PART 1)

- 1. Applicant's contact information.
- 2. Proof of SAM.GOV registration and a Unique Entity ID (UEI).
- Detailed description of the eligible measure(s) the applicant intends to undertake as part of the project.
- 4. Location of the proposed project.
- 5. Number of customers served by the project.
- 6. Description of how the project meets the objectives of the program.
- 7. Description of how the investment will improve resilience in the communities the utility serves including baseline reliability and outage data.
- Description of whether the project will benefit environmental justice communities, disadvantaged communities, or Tribes, and if so, how.



OREGON GRID RESILIENCE MINIMUM APPLICATION REQUIREMENTS (PART 2)

- 9. Description of community engagement activities planned and/or conducted for this project, prior to application submission, including coordination with local city or county government.
- 10. Description of community benefits associated with the project, including non-energy benefits, if applicable.
- 11. Attestation the applicant is not barred from receiving federal funds.
- 12. Certification the applicant has reviewed all application materials and is prepared to meet all requirements of the program, including, but not limited to: National Environmental Policy Act; Buy American provisions, Davis-Bacon Act requirements, and reporting requirements identified by ODOE.
- 13. Certification the project planning is at a sufficient stage of progress, based on requirements determined by ODOE, to facilitate the completion of US DOE's Environmental Questionnaire, if project is selected.



OREGON GRID RESILIENCE MINIMUM APPLICATION REQUIREMENTS (PART 3)

- 14. Documentation that applicant will be able to provide matching funds to support the project, including identification of the source of matching funds (Oregon Department of Energy Program Narrative for IIJA Grid Resilience April 2023 Page 7 of 13).
- 15. Certification the applicant intends to initiate and complete the project within the period of performance. Project timelines may be subject to adjustment at the time of the opportunity announcement.
- 16. A project budget and budget narrative aligned with the SF-424A.



MINIMUM APPLICATION GROUP DISCUSSION

- How does the minimum application criteria impact small vs. large utilities?
- Is there technical assistance during the application stage that could be helpful?
- In what ways can the minimum application requirements assist you in forward-thinking project design and implementation?
- Are there ways to make the methods of award more accessible and easier for potential applicants? Are there ways to streamline the application process?





FEDERAL REQUIREMENTS FOR PROJECTS

- Regular reports on financials, project progression, and metrics
- Build America Buy America Act
- Davis-Bacon Act requirements for workers
- Justice40
- National Environmental Policy 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



Note: 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.



BUILD AMERICA BUY AMERICA

- The Build America Buy America Act, commonly referred to as "Buy America," is a set of regulations and policies to promote the use of American-made products and materials in federal procurement projects.
- Infrastructure projects funded through IIJA Grid Resilience Funding will need to meet two primary Buy America Requirements:
 - All iron, steel, and manufactured products used in the infrastructure work are produced in the United States.
 - All construction materials used in the infrastructure work are manufactured in the United States.
- Whether Buy America requirements apply to a specific project depends on three factors:
 - The recipient's entity type
 - Whether the work involves "infrastructure"
 - Whether the infrastructure in question is publicly owned or serves a public function.



DAVIS-BACON ACT

- The Davis-Bacon Act ensures that federal government funds elevate labor standards for construction workers across the country, and that taxpayer dollars are used to ensure local wage and benefit standards allowing responsible contractors to compete for federally funded or assisted construction contracts.
- For contracts over \$2,000, contractors and subcontractors are required to pay covered workers weekly and submit weekly certified payroll records to the contracting agency.
- Contractors and subcontractors are required to post the applicable Davis-Bacon wage determination with the Davis-Bacon Poster (WH-1321) on the job site in a prominent and accessible place where they can be easily seen by the workers.



NATIONAL ENVIRONMENTAL POLICY ACT

- The National Environmental Policy Act (NEPA) requires Federal agencies to integrate environmental values into their decision-making processes by considering the potential environmental impacts of their proposed actions.
- All recipients (and subrecipients) will be required to submit an environmental questionnaire (NETL Form 451.1-1/3) for each work location proposed in the application.
 - A NEPA representative will review these documents and any other pertinent information to determine the likely level of NEPA documentation required for qualified projects.
 - If any projects are likely to require an environmental assessment (EA) or environmental impact statement (EIS), the NEPA representative will provide further documentation.



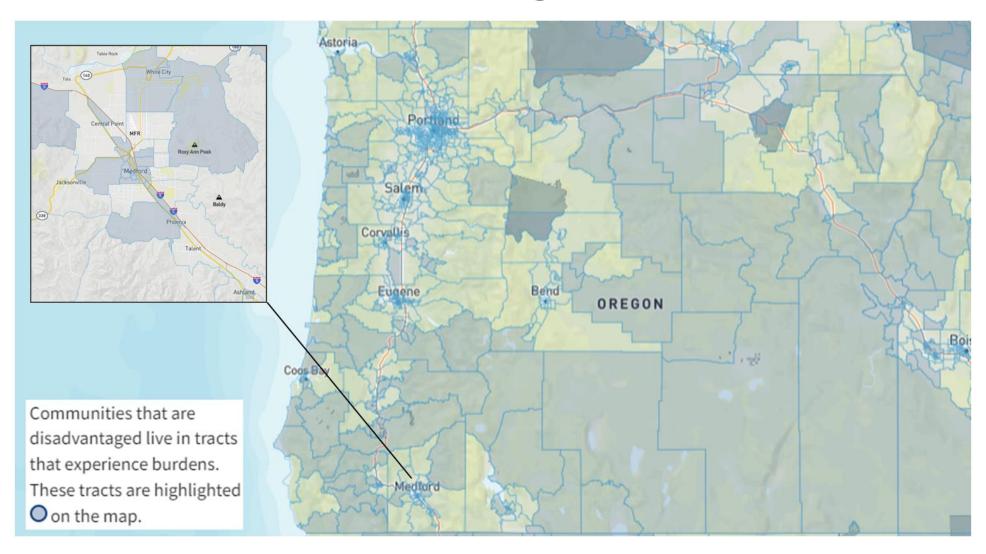


JUSTICE40

- The Justice40 initiative directs 40% of the overall benefits of certain Federal investments including investments in clean energy and energy efficiency; clean transit; affordable and sustainable housing; training and workforce development; the remediation and reduction of legacy pollution; and the development of clean water infrastructure to flow to disadvantaged communities (DACs).
- The Office of Management and Budget's Interim Guidance defines a *community* as either:
 - A group of individuals living in geographic proximity (such as a census tract)
 - A geographically dispersed set of individuals (such as migrant workers or Native Americans), where either type of group experiences common conditions.
- The following are the indicators used by the White House to identify DACs: Climate Change, Energy, Health, Housing, Legacy Pollution, Transportation, Waste and Wastewater, and Workforce Development.



Climate and Economic Justice Screening Tool



FEDERAL REGULATION GROUP DISCUSSION

- During previous programs involving federal dollars, what components of these federal requirements were the most challenging to implement?
 - Ex: Justice 40: Identifying disadvantaged communities, understanding the "burden indicators," etc.
 - Ex: Davis-Bacon: Weekly documentation requirements, weekly pay outs, responsibility for compliance of any subcontractor used, etc.
 - Ex: Buy America including the necessary requirements within the proposal phase, requirement implementation, etc.
 - Ex: NEPA: Completing the environmental questionnaire, communication with NEPA representatives
- Has your organization ever challenged a Davis-Bacon determination of violations? If so, what was the outcome?
- What external factors proved to be most challenging when following the Buy America Requirements?
 - Ex: Supply chain issues, supply costs, etc.
- Has NEPA ever required one of your projects to undergo an environmental assessment (EA) or environmental impact statement (EIS)? If so, what was your experience with that process?
- Is there other technical assistance or information ODOE can provide on these federal regulations that could better assist you through project implementation?



ENERGY IMPROVEMENTS IN RURAL OR REMOTE AREAS

Details:

- Sponsor: U.S. Department of Energy Office of Clean Energy Demonstrations
- Recipients: Utilities, community-based organizations and non-profit entities, Tribal governments, environmental groups, cities, towns, and unincorporated areas fewer than 10,000 inhabitants
- Allocation: \$200 M annually (FY 2022 2026)
 - Next Funding Round FY 2023 (pre-applications due July 13, 2023, full applications due October 12, 2023)

Objectives:

- Improve the resilience, reliability, and affordability of energy systems in communities across the country with fewer than 10,000 inhabitants.
- Emphasis on reducing energy cost, improving energy access, and reducing environmental harm through climate-resilient technologies.
- Provides financial investment, technical assistance, and other resources to advance clean energy demonstrations and energy solutions that are replicable and scalable.



ENERGY IMPROVEMENTS IN RURAL OR REMOTE AREAS

Eligible Measures:

- Overall cost-effectiveness of energy generation, transmission, or distribution systems;
- Siting or upgrading transmission and distribution lines;
- Reducing greenhouse gas emissions from energy generation by rural or remote areas;
- Providing or modernizing electric generation facilities;
- Developing microgrids; and
- Increasing energy efficiency.

Learn More: https://www.energy.gov/oced/energy-improvements-rural-or-remote-areas-0

Note: OCED offers no-cost technical assistance to communities and organizations interested in energy improvements in rural or remote areas. Technical assistance will vary based on specific project needs and requests.



Details:

- Sponsor: U.S. Department of Energy Grid Deployment Office
- Recipients: Electric grid operators, electricity storage operators, electricity generators, transmission owners or operators, distribution providers, fuel suppliers
- Allocation: \$500M annually (FY 2022 2026)
 - Next Funding Round FY 2023 (NOFO TBD)

Objectives:

- Support the modernization of the electric grid to reduce impacts due to extreme weather and natural disasters.
- Fund comprehensive transformational transmission and distribution technology solutions that will mitigate multiple hazards across a region or within a community, including wildfires, floods, hurricanes, extreme heat, extreme cold, storms, and any other event that can cause a disruption to the power system.
- Prioritize projects generating the greatest community benefit in reducing the likelihood and consequences of disruptive events.



Eligible Measures:

- Utility pole management
- Hardening of power lines, facilities, substations, of other systems
- Undergrounding of electrical equipment
- Replacement of old overhead conductors and underground cables
- Relocation of power lines or reconductoring of power lines with low-sag, advanced conductors
- Vegetation and fuel-load management
- Weatherization technologies and equipment
- Fire-resistant technologies and fire prevention systems
- Monitoring and control technologies





- 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
- 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

Note: Resilience measures that are not allowed under this grant include: Construction of a new electric generating facility, large scale battery-storage facility that is not used for enhancing system adaptive capacity during disruptive events, cybersecurity

Learn More: https://www.energy.gov/gdo/grid-resilience-utility-and-industry-grants

RURAL AND MUNICIPAL UTILITY ADVANCED CYBERSECURITY GRANT AND TECHNICAL ASSISTANCE PROGRAM

Details:

- **Sponsor:** U.S. Department of Energy Office of Cybersecurity, Energy Security, and Emergency Response
- **Recipients:** Rural electric cooperatives, utilities owned by a subdivision of a state, such as a municipally owned electric utility, investor-owned electric utilities that sell less than 4 million MWh of electricity per year
- Priority will be given to applicants with the following:
 - Has limited cybersecurity resources
 - Owns assets critical to the reliability of the bulk power system
 - Owns defense critical electric infrastructure
- Allocation: \$250M annually (FY 2022 2026)
 - Next Funding Round FY 2023 (first NOFO expected summer 2023)



Objectives:

- Deploy cybersecurity technologies for electric utility systems
- Increase the participation of eligible entities in cybersecurity threat information sharing programs

Learn More: https://www.energy.gov/ceser/rural-and-municipal-utility-advanced-cybersecurity-grant-and-technical-assistance-rmuc







WAYS TO ENGAGE

- Review the Program Narrative: View ODOE's formal 40101(d) submission to US DOE: http://www.Oregon.gov/energy/energy-Oregon/Documents/Grid-Resilience-Program-Narrative.pdf
- Apply for funds: Look for an opportunity announcement in late 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

- 1. ODOE anticipates receiving the state award agreement in Summer 2023.
- ODOE 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.





Thanks for joining us!

Contact: <u>Robert Delmar@energy.oregon.gov</u> <u>Emily.Salmeri@energy.oregon.gov</u>

ODOE Webpage: https://www.oregon.gov/energy/energy-

oregon/Pages/IIJA.aspx

