

# Bipartisan Infrastructure Law Section 40101(d)

## Formula Grants to States and Indian Tribes for Preventing Outages and Enhancing the Resilience of the Electric Grid (Grid Resilience Grants)



# Content

Objective is to provide application assistance to states and tribes

1. Provide overview of the [Formula Grants to States and Indian Tribes for Preventing Outages and Enhancing the Resilience of the Electric Grid \(Grid Resilience Formula Grants Provision, Sec. 40101\(d\)\)](#)
2. Review Application process
  1. Registration
  2. Program Narrative
  3. Templates for application
3. Frequently asked questions

# Resilience Funding Program Highlights:

Delivering Reliable, Clean, and Affordable Power to More Americans

Program Name (DOE)	Funding Amount	Next Milestones
Preventing Outages and Enhancing the Resilience of the Electric Grid / Hazard Hardening (Sec. 40101 Grid Resilience Grants)	\$5 billion	<ul style="list-style-type: none"><li>Application open from July 5<sup>th</sup> – September 30<sup>th</sup></li><li>RFI/draft FOA for utilities and industry competitive program expected to be released in Summer 2022</li></ul>
Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency (Sec. 40103(b) Grid Resilience Research, Development, Demonstration)	\$5 billion	<ul style="list-style-type: none"><li>RFI/draft FOA expected to be released in Summer 2022</li></ul>
Deployment of Technologies to Enhance Grid Flexibility (Sec. 40107 Smart Grid Grants)	\$3 billion	<ul style="list-style-type: none"><li>RFI/draft FOA expected to be released in Summer 2022</li></ul>

The entirety of the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law, Public Law 117-58, is available at:

<https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.htm>.

# Grid Resilience Formula Grants – 40101(d)

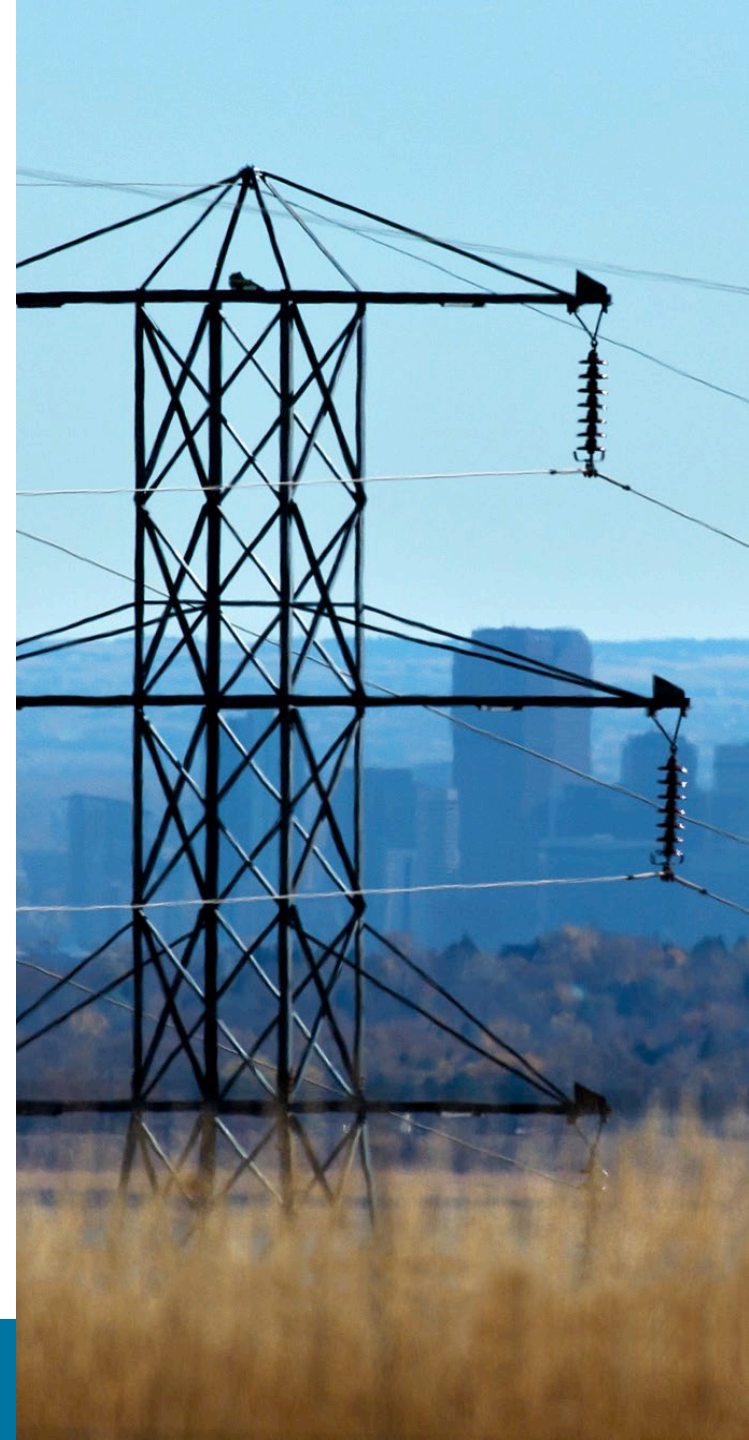
- Offers a unique opportunity to advance the capabilities of States and Indian Tribes to address current and future all-hazards resilience needs.
- DOE is encouraging an objectives-led planning process to address all-hazards resilience as well as economic development and needed improvements in infrastructure, including necessary and supporting grid modernization investments in underserved communities

The goal of this financial assistance is to support the Administration's and Congress' objectives to:

- (1) demonstrate measurable improvements in energy resilience to all hazards in the United States and mitigate climate-related risk,
- (2) invest in modernized grid infrastructure that can enable consumer access to lower-cost energy and accommodate increased electrification, increased penetrations of variable renewable electricity and distributed energy resources, and other evolving system needs over the coming decades,
- (3) invest in clean energy and decarbonization solutions to achieve a carbon-free power sector by 2035 and net-zero greenhouse gas emissions economy-wide by 2050, and
- (4) create good-paying jobs with the free and fair choice to join a union.

# Grid Resilience Formula Grants Summary

- States, Territories, and Tribes via annual formula grant
  - \$2.3 Billion (approximately \$459 million per year for FY 2022–2026)
  - 15% cost match
  - Up to 5% can be used for Technical Assistance
- Legislation set specific 5-part formula based on population, area, probability of disruptive events, severity of disruptive events, and expenditure on mitigation efforts.
- States, Territories, and Tribes need to submit to DOE
  - *Criteria and methods* to award grants, a plan for distribution of funds, and evidence of notice and public hearing on the plan (Program Narrative)
  - Formula grant applicants will be required to submit applications each year, although grants may cover multiple-year deployments
- States, Territories, and Tribes may sub-grant to eligible entities for projects



# Annual State, Territory and Tribal Funding Summary

## *Indian Tribes*

- \$30 - \$100K: 359 entities
- \$100 - 500K: 191 entities
- \$500K - \$1M: 22 entities
- \$1M - \$5M: 2 entities

## *States and Territories*

- \$500K - \$1M: 2 entities
- \$1M - \$5M: 19 entities
- \$5M - \$10M: 29 entities
- >\$10M: 6 entities

# Eligibility for Grid Resilience Formula Grants

## Eligible formula grant applicants include:

- States
- Indian Tribes
- U.S. Territories
- Eligible applicants may further subgrant to “eligible entities” as defined by this provision

## Subgrant eligible entities:

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

# Subgrant Cost Match Requirements

## Matching Funds

- Any eligible entity that receives a subgrant under this program shall be required to match 100 percent of the amount of the subgrant.
- However, if the subgrant entity sells 4,000,000 megawatt hours of electricity or less per year, the required match will be one-third of the amount awarded to the subgrantee.

## Small Utility Set-aside

- A State or Indian Tribe receiving a grant under the program shall ensure that, of the amounts made to subgrantees, 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 or Indian Tribe that are served by those eligible entities.



# Types of resilience investments permitted under the Grid Resilience Formula Grant program

## Potential Investments include:

- 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, and
- advanced modeling technologies

Grants under Section 40101(d) CANNOT be used for:

Construction of a new electric generating facility or large-scale battery-storage facility that is not used for enhancing system adaptive capacity during disruptive events; or cybersecurity.





# Technical Assistance & Administrative Expenses

- Of the amounts made available, a State or Indian Tribe may use not more than 5 percent annually for:
  - Providing technical assistance
  - Facilitating the distribution of information to reduce the likelihood and consequences of disruptive events
  - Administrative expenses associated with the program.
- As permitted by the statute, DOE has reserved funding to provide technical assistance to those receiving funding under Section 40101.
- The Department plans to work collaboratively with recipients of these funds to determine how best DOE may serve their needs.



## Success – Jobs, Technology At-Scale, and Mitigating Risks through Community Transformation

- Strengthening prosperity—by expanding good-paying, safe jobs and supporting job growth through investments in domestic energy—is a key goal of the Biden-Harris Administration and of DOE.
- Creating and sustaining quality jobs and other success metrics will be important aspects of this program.

# Identifying Disadvantaged Communities

The Justice40 Initiative within DOE includes a collaborative effort with the Office of Management and Budget (OMB) and various federal agencies to establish policy goals and programs for better serving disadvantaged communities.

The Section 40101(d) Formula Grant Program requires that eligible applicants establish objectives and metrics to involve disadvantaged communities, e.g., low income, vulnerable, and underserved communities, within their respective planning processes so that they may receive equitable benefits that derive from them.

See DOE's Energy Justice Dashboard for data resources :

<https://www.energy.gov/diversity/energy-justice-dashboard-beta>  
(updates ongoing)

# Notable Dates



RFI questions/comments were due on:

**June 2, 2022, by 11:59 PM EDT**

**FAQs continue to be posted that address feedback from RFI**

ALRD released **July 6<sup>th</sup>, 2022**

Applications are due September **30<sup>th</sup>, 2022**



# Summary of RFI/NOI feedback

- More time is needed to develop criteria, cost match approval, public hearings
- More flexibility desired
- Cost match challenges
- Technical assistance and planning process

# Documents Available:



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## SECTION 40101(D) FORMULA GRANTS TO STATES & INDIAN TRIBES

Under Section 40101(d) Formula Grant Program of the [Bipartisan Infrastructure Law \(BIL\)](#), the Department of Energy will provide grants to States (including U.S. Territories) and Indian Tribes to improve the resilience of their electric grids. States and Indian Tribes may further allocate funds to "eligible entities", as defined by Section 40101(d). These grants offer a unique opportunity to advance the capabilities of States and Indian Tribes, and their communities, to address not only current, but future resilience needs. The requirements of this formula grant program are defined within Section 40101(d) of the BIL. Section 40101(d) stipulates that DOE allocate funding annually through grants to States and Indian Tribes according to a formula that includes such parameters as population, land area, and the historical precedence for experiencing disruptive events. The resulting formula allocation for the first year of the program is provided below. Additionally, the Administrative and Legal Requirements Document (ALRD) and associated documents and links below provide eligible applicants with program and application information and requirements.

### Formula Grants to States and Indian Tribes for Preventing Outages and Enhancing the Resilience of the Electric Grid

- ▶ [Link to ALRD FedConnect Page for BIL Section 40101\(d\) Formula Grants to States and Indian Tribes for Preventing Outages and Enhancing the Resilience of the Electric Grid](#)
- ▶ [Link to ALRD Application Forms and Templates](#)
- ▶ [Allocation of Grant Funds to States and Indian Tribes](#)
- ▶ [Data Sources for 40101\(d\) Formula Grant Allocations](#)
- ▶ [FAQs \(updated June 6, 2022\)](#)

[Resources Library](#)

[Grant Application Forms and Templates](#)

[Back to BIL Grid Resilience](#)



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# Continue to follow updates at:

<https://netl.doe.gov/bilhub/grid-resilience/formula-grants>





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## SUBMITTING YOUR APPLICATION

