

Frequently Asked Questions (FAQ)

Grid Resilience Formula Grants to States and Indian Tribes IIJA Section 40101(d)

November 17, 2022

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Application:

- **When are applications due?**

The application period under ALRD DE-FOA-0002736 (BIL Section 40101d – PREVENTING OUTAGES AND ENHANCING THE RESILIENCE OF THE ELECTRIC GRID FORMULA GRANTS TO STATES AND INDIAN TRIBES) has been extended from September 30, 2022 to **March 31, 2023**. The ALRD Amendment 002 reflecting this change is posted in FedConnect, and is available through [Section 40101\(d\) Formula Grants to States & Indian Tribes | netl.doe.gov](#).

- **If my state has an application ready to submit based on the original September 30, 2022 deadline, may that application still be submitted or do we need to wait until later to submit the application?**

Applications for FY22 and FY23 may be submitted any time prior to the March 31, 2023 deadline, and the applications will be processed when they are received. A State or Indian Tribe may choose to submit separate applications for Year 1 and Year 2 allocations or one application for both allocations combined. DOE plans to post the year 2 allocation amounts by January 2023. Note: all applications for FY22 and FY23 must be submitted by March 31, 2023. Grants may be awarded prior to March 31, 2023 based on those applications.

- **How will the extension of the grant application period impact the year 2 grant allocation funding cycle?**

If a State or Indian Tribe submits an application prior to the January 2023 release of the Year 2 allocation based on only the year one allocation and the grant agreement is issued based on that amount, the State or Indian Tribe would need to submit a separate allocation request for Year 2 allocation by March 31st, 2023 and must go through notice and a public hearing if their Program Narrative has been revised. If the allocation request is accepted by DOE it will be issued as an amendment to the grant agreement. Additional information will be provided regarding the annual allocation request cycle and application process at a later date.

- **Can a third-party organization entity submit a consortium application on behalf of small and remote tribes who do not have the capacity to apply for these funds on their own or deal with compliance report.**

Through the Head of Government Letter, Tribal Council Resolution, or other instrument of appointment or delegation submitted with the application, an Indian Tribe may designate a third party (i.e., agent) to prepare the grant application, submit the application, and administer the resulting grant on behalf of the Indian Tribe. ***However, the grant must be awarded to the Indian Tribe itself and the Indian Tribe will ultimately be responsible for satisfying all grant requirements including the applicable cost match.*** The application must be submitted in the name of the Indian Tribe and use its Unique Entity Identifier (UEI) when submitting the application in FedConnect. Reimbursements for allowable expenses under the grant must be paid directly to the Indian Tribe and the electronic disbursements of Federal allocations for those reimbursements must be made directly to the Indian Tribe's bank accounts identified in the application. The statutory limit of 5 percent of the federal allocation used for technical and administrative costs still applies, whether the costs are incurred directly by the Indian Tribe or by the third party.

- **Two or more Indian Tribes are interested in using their own grant funding to collaborate on a project, by combining some or all of their funding and cost match, to execute a resilience project that mutually benefits all participating Indian Tribes? For example, may five Indian Tribes collaborate on a project that increases energy resilience of a regional healthcare facility that serves all five Indian Tribes and its members?**

Yes. Multiple tribes can award funding to eligible entities that collaborate on a resilience project by combining allocations and the required cost match as long as each Tribe finds that project provides the greatest community benefit in reducing the likelihood and consequences of disruptive events and aligns with the objectives of the Grid Resilience Formula Grant program.

In addition, the Tribes should track and report costs to DOE in a manner that verifies that work and costs have been charged that precludes any double payment for work done on the full project effort.

- **Can IJA funding be used for the acquisition of land and is it an allowable cost under the grant?**

Acquisition of land or easements is not allowed. Improvements to real property for the purpose of grid hardening or resilience is not considered acquisition of real property for the purpose of this grant program.

- **Currently the deadline for combined years 1 and 2 is due March 31, 2023. Can applicants submitting their information early have an extended deadline for year 2?**

No, there will only be one deadline for year 1 and year 2. Applicants can submit their year 1 grant application now and submit the year 2 allocation request later. However, all applications and allocation requests for year 1 and year 2 (for combined or separate allocations) are due by March 31, 2023

- **As stated in the IJA, an eligible entity may not submit an application for a grant provided by the Secretary under subsection (c) and a grant provided by a State or Indian Tribe pursuant to subsection (d) during the same application cycle. Can DOE provide more clarity and guidance on this issue.**

An eligible entity is not allowed to submit the same application for a grant under IJA Section 40101(c) and Section 40101(d) in the same application cycle. DOE considers a "grant" to have a specific scope (i.e., a unique project). Accordingly, an eligible entity may not submit a grant application with the same scope under both Sections 40101(c) and 40101(d) in the same application cycle. Eligible entities can submit proposals to both Sections 40101(c) and 40101(d) in the same application cycle as long as they are separate scopes of work that address different resilience measures.

- **Do applicants need to provide detailed information for the subaward resilience projects, such as a detailed budget, when we submit the application for the grant?**

Aside from the information required in the Program Narrative, applicants should NOT provide detailed resilience project subaward information (e.g., budget) in the initial application to DOE. After the issuance of the grant to the State or Indian Tribe, the State or Indian Tribe, may, at any time, provide the specific budget and other information to DOE in accordance with **ALRD Section V.G – Resilience Project and Subaward/Subcontract Notification** .

- **If an eligible applicant does not submit an application what happens to the funds, i.e., if funds aren't used in one fiscal year, will they roll over into the next year?**

Unallocated funds (unused funding for an eligible applicant) in one allocation year will transfer into the subsequent allocation year's pool of available funds and be re-distributed to applicants based on that subsequent year formula allocation.

- **How will my state allocate its funds?**

Each State or Indian Tribe will determine its own process for allocation of funds to eligible entities by preparing a plan that will be adopted after notice and a public hearing and described in the Program Narrative, as described in section 40101(d)(2)(B). State or Indian Tribes shall give priority to projects that, in the determination of the State or Indian Tribe, will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.

- **Can states use their technical assistance funds to provide technical assistance for tribes during the application process?**

Of the amounts made available to a State or Indian Tribe under the program each fiscal year, the State or Indian Tribe may use up to 5 percent for providing technical assistance and administrative expenses associated with the program. Section 40101(d) does not include instructions on how or for whom the technical assistance must support. Further, as long as the technical assistance is within the scope of the ALRD and grant agreement as well as supports both the State and Indian Tribe, it is likely an allowable cost for the State.

Program Narrative and Public Notice & Hearing:

- **My Indian Tribe/State has already published its public notice and conducted the public hearing? How does the extension to March 31, 2023 for submitting an application impact that?**

The information in your Program Narrative and presented in the public notice and hearing should indicate the time period covered by the criteria and strategies. If the Program Narrative information presented in the public notice and hearing indicated that it addressed more than one year, then an additional public notice and hearing is not needed prior to submitting an application that would request your Year 2 allocation, as long as the Program Narrative has not been revised. If the Program Narrative information presented in the public notice and hearing indicated that it applied to only the Year 1 allocation, then a second public notice and hearing reflecting the Year 2 Program Narrative would be needed if you submit an application that requests both years 1 and 2 allocations.

- **Do States and Indian Tribes need to identify the specific subrecipients (i.e., eligible entity name) in the Program Narrative?**

The Program Narrative submitted with the application should address the objectives, criteria and methods for formulating, selecting and executing resilience projects. At a minimum, it should address the anticipated categories of eligible entities the State or Indian Tribe anticipates carrying out these projects through subawards, and the process for selecting those eligible entities. The DOE recognizes that each State and Indian Tribe has internal processes it must adhere to in making these selections and resulting subawards, and that the solicitation and award process for these subawards will likely occur after the grant is awarded by DOE to the State or Indian Tribe. Accordingly, after the issuance of the grant to the State or Indian Tribe, the State or Indian Tribe, may, at any time, provide the specific budget and other information to DOE in accordance with **ALRD Section V.G – Resilience Project and Subaward/Subcontract Notification** for approval to proceed with the proposed resilience project carried out by a specific eligible entity.

- **Must a State or Indian Tribe conduct a public hearing every year? Is the public hearing held prior to the submission of the application or post-submittal?**

A State or Indian Tribe must submit an initial application for the first year of grant funding and an allocation request thereafter to the Department of Energy each year to receive its annual funding allocation. The initial grant application must include a Program Narrative that describes the current criteria and methods for selecting and implementing Section 40101(d) projects, including the proposed funding distributions and grant recipients. The Program Narrative must be adopted following notice and a public hearing. However, there is no requirement to update the Program Narrative annually, or to conduct an annual public hearing unless the Program Narrative has been revised. DOE advises that if the Program Narrative is intended to apply to more than one year, that the Program Narrative indicate that and it be communicated to the public during the public notice and hearing.

- **Must the public notice and hearing be conducted prior to submitting the application?**

The public notice and hearing must be completed prior to submitting the application and must be documented in the Program Narrative submitted with the application.

- **What must the public notice and hearing address?**

The purpose of the public hearing is to foster comments from diverse stakeholders on the criteria and methods being considered by a State or Indian Tribe for undertaking the Section 40101(d) formula grant program. The criteria pertain to the approach proposed for selecting and determining awards to eligible entities; the ALRD specifies a minimum set of required criteria. The methods are those proposed for soliciting, awarding,

distributing and leveraging funds and they may include several options, including the use of competitive solicitations, direct awards, and the use of financial institutions, such as Green Banks. The State or Indian Tribe may alter or refine its proposed criteria and methods based on stakeholder comments, and each has full discretion in determining and modifying what criteria and methods it chooses to apply, as long as minimum requirements are met, as noted above.

DOE understands that States and Indian Tribes may not have completely formulated their criteria and methods, especially within the first year of the formula grant program. In such cases, a State or Indian Tribe may use the public hearing to engage in a discussion on an appropriate set of criteria and methods. The outcome of these discussions should result in a set of proposed or preliminary criteria and methods which would then be reported within the Program Narrative provided within the applicant's application. The level of detail provided on the criteria and methods should reflect the extent to which they can be articulated. For example, the methods proposed for soliciting, awarding, distributing, and leveraging funds do not have to be specific, but minimally provide the direction and options being considered. This approach also applies to the formulation of criteria. However, if the criteria and methods are more rigorously defined in subsequent years of grant funding then a new notice and public hearing will have to be conducted prior to submitting the amended Program Narrative to DOE.

In addition, DOE is interested having applicants formulate objectives and associated metrics for guiding planning and subsequent investment decisions and for measuring their outcomes. At a minimum, DOE would like applicants to provide within their respective Program Narratives objectives and metrics for resilience, strong labor standards and protections, workforce engagement, and energy justice. Applicants may use the public hearing to obtain comments from stakeholders on their approach for formulating such objectives and metrics, as well as on strategies for achieving and enabling them.

Allowable Activities:

- **Is an emergency generator on an essential facility or critical facility eligible?**

IJA Section 40101(e)(2)(A) prohibits eligible entities from using grant funds to construct any new electric generating facilities or any large-scale battery storage facility that is not used for enhancing system adaptive capacity during a disruptive event. Therefore, grant funds or cost match may not be used to purchase and install an emergency generator. ***This is an important update and modification to previous FAQs and should be noted.*** However, a large-scale battery storage facility installed to provide adaptive capacity during a disruptive event would be an allowable project.

- **Would construction of new distribution or transmission lines for the purposes of providing redundancy during disruptive events be considered an eligible use of funds?**

Section 40101(e)(2) states a grant under Section 40101 may be given to an eligible entity for “activities, technologies, equipment, and hardening measures to reduce the likelihood and consequences of disruptive events” and provides examples of permitted activities in section 40101(e)(1)(A)-(L). If it is determined that a new distribution power line, below 69kV, reduces the likelihood and consequence of disruptive events by providing redundancy or fail-over capability, then it is an eligible use of a Section 40101 grant. Section 40101 funds may not be used for new transmission lines. However, undergrounding of existing distribution and transmission lines is an eligible use of Section 40101 funds.

- **Can you please clarify whether or not the construction of new solar generation in support of a microgrid - built to provide clean power for the “community facilities” on tribal trust lands - is an allowable cost.**

No, construction of new solar generation is not an allowable cost for Section 40101 grant funds. However, other costs outside of new generation associated with building out a microgrid may be allowable. IJIA Section 40101(e)(2)(A) prohibits eligible entities from using grant funds to construct 1) any new electric generating facilities or 2) any large-scale battery storage facility that is not used for enhancing system adaptive capacity during a disruptive event. Therefore, a State and Indian Tribe may not use 40101(d) grant funds or associated cost match to construct new solar generation within a microgrid on tribal trust lands. ***This is an important update and modification to previous FAQs and should be noted.***

- **Weatherization is one of the allowable uses. Could tribes use the funds to weatherize tribal facilities or Indian housing facilities? That way when they have a power disruption – which for some tribes happens weekly – at their homes and tribal facilities will stay warm.**

Applicants need to demonstrate how a project or in this case a weatherization concept can reduce the likelihood and consequences of disruptive events. Weatherization in context of this BIL is focused on grid components and systems and not weatherization of a facility or building.

- **Can the funds be used to provide individual households with backup energy resources that can be used during outages?**

IJIA Section 40101(d)(5) requires States and Indian Tribes to give priority to projects that, “in the determination of the State or Indian Tribe, will generate the greatest

community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.” While the criteria and rationale for resilience projects are described in the Program Narrative and evaluated on a case-by-case basis, generally, projects for individual benefit (i.e., individual houses) are not allowable under this program. Also, refer to the question regarding the prohibition against using grant funds to purchase or install an emergency generator for an essential facility.

- **What is meant by “the use or construction of distributed energy resources for enhancing system adaptive capacity during disruptive events?”**

System adaptive capacity is the ability of the electrical grid to continue to supply electricity where needed during disruptive events. A range of distributed energy resources, including energy storage devices (e.g., batteries) and microgrids, can be used to provide electrical energy during disruptions and, therefore, provide system adaptive capacity.

Eligible Entities:

- **If small utilities do not utilize funds provided in the set-aside, can those funds be rolled up into the bigger pot and made available to other eligible entities?**

IIJA Section 40101(d)(6) states that the funds must be made available to eligible entities that meet the IIJA definition of a small utility (i.e., sell not more than 4,000,000 megawatt hours of electricity per year). If small utilities do not avail themselves of the opportunity, the funds may be made available to other eligible entities. Although to satisfy the “set aside” requirement, the funds would need to be first made available to only eligible entities that meet the definition of a small utility.

- **Does the set aside have to go directly to small utilities – or could it benefit communities served by small utilities?**

IIJA Section 40101(d)(6) states that the funds must be made available to eligible entities that meet the IIJA definition of small utility.

- **Would wholesale energy providers qualify?**

If the wholesale energy provider is not explicitly one of the types of eligible entities identified in the statute, the eligibility determination would need to be requested by the applicant on a case-by-case basis. If the wholesale energy provider is an eligible entity and sells less than 4,000,000 MW hours of electricity per year, then it would qualify as a small utility.

- **Can DOE provide more information on how the Secretary will determine what other entities can and will be considered eligible entities?**

Section 40101(a)(2)(G) provides the Secretary the authority to designate additional eligible entities for the Section 40101(d) program. States and Indian Tribes are required to submit a Program Narrative to the Secretary, which describes the criteria and methods it will use to award grants to eligible entities.

DOE recommends that State and Tribes should not include specific entities in the program narrative. Note that acceptance of a Program Narrative submitted with the grant application does not constitute the Secretary's approval of any entity mentioned in the Program Narrative as being an eligible entity. Moreover, identifying a specific entity in the program narrative may cause delay, because if a specific proposed eligible entity is identified as completing a specific project and DOE denies the request for an entity to be deemed eligible for Section 40101 funding, the State or Indian Tribe may be required to amend its Program Narrative and conduct a new public notice and hearing in order to comply with Section 40101(d)(2)(B)(ii)

After a grant has been awarded to a State or Indian Tribe, but prior to selecting an entity for a subaward, the State or Indian Tribe must request the Secretary make an eligible entity determination for a proposed entity not identified in Section 40101(a)(2). The State or Indian Tribe must indicate how this proposed eligible entity will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events as required by Section 40101(d)(5). The request for a determination by the Secretary would be initiated by the State or Tribe grant recipient by submitting the request to the Federal Project Officer for the grant agreement. The Federal Project Officer can advise the State or Indian Tribe on the process and information requirements for making the request.

- **Can an eligible entity submit the same ideas to multiple provisions?**

It is understood that there is some overlap in various provisions. An eligible entity could respond to multiple provisions that relate to a specific concept. However, there must be different scope for a given application submittal. In addition, note that, under Section 40101(e)(2)(C), “[a]n eligible entity may not submit an application for a grant provided by the Secretary under subsection (c) and a grant provided by a State or Indian Tribe pursuant to subsection (d) during the same application cycle.”

Project Administration:

- **How and when do States and Indian Tribes request and receive approval to proceed with resilience projects and associated subawards to eligible entities?**

Grant recipients, may at any time after they receive the grant, provide notification and documentation to DOE for resilience projects and subawards. This process is described in **ALRD Section V.G – Resilience Project and Subaward/Subcontract Notification**.

Be aware that review of the documentation and required written concurrence by DOE may take considerable time and will be impacted by factors such as National Environmental Policy Act (NEPA) considerations. Please allow for at least 45 days for this process from when you provide the required information to DOE.

- **Can tribes receive and accumulate multiple annual allocations until they have enough resources to do a larger project? Most tribes' allocations are between \$30k - \$60k per year (e.g. shipping costs alone could consume most of the funds). If funds could roll over, then by year five they would have enough funding to do a more meaningful project.**

It is DOE's intent for States and Indian Tribes to utilize grant funding to implement grid resilience projects as expeditiously as possible to achieve the objectives of Section 40101. However, if the Program Narrative, submitted with the annual allocation request, identifies a strategy that requires accumulating multiple year (e.g., 2 to 3 years) allocations to initiate and complete an identified project, then the State or Indian Tribe may accumulate the annual allocations until it has sufficient funds obligated to the grant agreement to successfully complete the project. The initial DOE award will have a Period of Performance of five years. Work must be performed within the Period of Performance of the grant agreement.

- **What are the National Environmental Policy Act (NEPA) requirements for the projects States and Indian Tribes propose under the grant?**

NEPA compliance for Section 40101(d) formula grants is being conducted in two phases. First, with the initial grant application, applicants must submit an Environmental Questionnaire (Form NETL Form 451.1-1/3) addressing only the technical assistance and administrative activities (identified as "Group A" activities in the Environmental Questionnaire) performed under the grant. Second, after the grant is awarded, the State or Indian Tribe must submit an Environmental Questionnaire for each proposed resilience project and subaward, in accordance with the Resilience Project and Subaward/Subcontract Notification Term in the ALRD (term will also be in the resulting grant agreements). If any projects are likely to require an environmental assessment (EA) or environmental impact statement (EIS), the DOE NEPA representative will provide further guidance. If DOE determines certain studies or records must be prepared to complete the NEPA review process (e.g., biological evaluations or environmental assessments), the costs to prepare the necessary records may be included as part of the project costs. Accordingly, if the resilience project that is being proposed is likely to have environmental impacts warranting additional studies and NEPA reviews prior to receiving DOE concurrence to proceed, States and Indian Tribes are advised to account for that in the implementation schedule for that project.

- **May applicants incur costs before the award of the grant and be reimbursed through the grant when it is awarded?**

ALRD Section IV.E – Pre-Award Costs addresses the allowance of pre-award costs. Pre-award costs are allowed for the technical assistance and administrative expenses; but there are restrictions and limitations that are addressed in this section of the ALRD.

- **Are States, U.S. Territories, and Indians Tribes required to apply 40 percent of their grant allocation towards benefiting disadvantaged communities?**

The Justice40 initiative, created by Executive Order 14008, establishes a goal that 40% of the overall benefits of certain federal investments should flow to disadvantaged communities (see: <https://www.whitehouse.gov/wp-content/uploads/2021/07/M-21-28.pdf>). This is a federal government goal and not a requirement of the IJA Section 40101(d) Formula Grant program. However, DOE encourages States, U.S. Territories, and Indian Tribes to apply funding in a way that provides benefits to disadvantaged and underserved communities. Also, per IJA Section 40101(d), 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.

Cost Match:

- **May a State or Indian Tribe elect to manage and execute the resilience project itself using the formula grant funds, rather than through a subaward, such as by procuring technologies or services directly from vendors? If yes, then how does the impact other issues such as the initial application process and the cost match requirements?**

To administer a program under Section 40101(d), States and Indian Tribes are required to match 15% of the amount of each grant provided to it by DOE under the program. Section 40101(d)(8).

Eligible entities that receive a grant under Section 40101 are required to match 100% of the amount of the project specific grant. Section 40101(h)(1). An eligible entity that is a small utility, as defined by Section 40101(h)(2), is required to match 1/3 of the amount of the grant.

State and Indian Tribes are not eligible entities as defined in Section 40101(a)(2). A State or Indian Tribe may request that DOE determine the State or Indian Tribe is an eligible entity. If DOE designates the State or Indian Tribe as an eligible entity then it could execute a resilience project and own certain equipment (e.g. battery energy storage system). Upon designation as an eligible, the State or Indian Tribal entity would provide the cost match of 100% for the project specific award, unless it meets the definition of a small utility, as defined by Section 40101(h)(2), which is required to match 1/3 of the amount of the grant. This cost match would be in addition to the 15%

cost match each State or Indian Tribe is required to submit to participate in the Section 40101(d) program.

- **Can the States and Indian Tribes pass the 15% match onto the eligible entities, in addition to the 100% or 1/3 match required of eligible entities?**

IIJA Section 40101(d)(8) requires “*Each State and Indian Tribe shall be required to match 15 percent of the amount of each grant provided to the State or Indian Tribe under the program.*” However, the law is silent on the source of the 15 percent match.

Consequently, there is nothing in the grant requirements prohibiting a State or Indian Tribe from requiring an additional 15 percent match from the eligible entities receiving subawards and using that funding to meet the 15 percent cost match for the federal award from DOE.

- **Can States and Indian Tribes use American Rescue Plan Act (ARPA) funding for to meet the 15 percent cost match for the Section 40101(d) Grid Resilience grant?**

Yes, however, the amount of State and Local Fiscal Recovery Funds (SLFRF) issued under America Rescue Plan Act (ARPA) that can be used by a recipient is limited to an amount calculated based on reduced revenue as specified in the Treasury Final Rule, 31 CFR Part 35.

- **When do all applicants need to confirm they will have the cost match? State budgeting timelines might make it challenging for many states to commit to a state match in the short-term.**

States and Indian Tribes must agree that they will provide cost match, as part of the terms of the grant agreement. However, cost match should be provided/dispensed as federal funds are expended during the course of project execution and drawdown of federal funds. State and subrecipients may utilize in-kind contributions to meet cost match, where applicable. Refer to Section III.B of the ALRD.

- **Each State and Indian Tribe is required to match 15 percent of the amount of each grant provided to the State or Indian Tribe under the Program. So, is the 15% on the total grant amount, and in addition to the required subrecipient cost match?**

The State or Indian Tribe is required to provide a 15% cost match on the total Federal grant allocation. Additionally, subrecipients are required to match either 100% (an eligible entity) or 1/3 (an eligible entity that is a small utility pursuant to Section 40101(h)(2) of the IIJA) of the subaward granted to it by the State or Indian Tribe.

- **Does the state have to match the entire amount or should 5% for TA be deducted first and then the 15% cost match applies?**

The 15% cost match applies to the ENTIRE federal allocation to the State. For example, DOE awards an Indian Tribe a \$100,000 grant, the Indian Tribe matches that with 15% (\$15,000) so the total amount available for projects would be \$115,000.

- **Can the State or Indian Tribe use up to 5% of the amount awarded for technical assistance and (TA) and administrative expenses?**

Section 40101(d)(7) states “Of the amounts made available to a State or Indian Tribe under the program each fiscal year, the State or Indian Tribe may use not more than 5 percent for – (A) providing technical assistance under subsection (g)(1)(A); and (B) administrative expenses associated with the program.” Therefore, the amounts made available under the program would be the federal funds provided by DOE. Therefore, up to 5% of the federal funds could be used for TA and administrative expenses combined. For example, DOE awards state X a \$100,000 grant, state X can use up to \$5,000 of that amount for TA and administrative expenses. In addition, state X must provide a cost match of 15% (\$15,000) on the total Federal allocation. The entire cost match of \$15,000 could also be used for TA and administrative expenses.

- **Can more information be provided on DOE’s cost match requirements and differences with cost sharing? Specifically, information pertaining to requirements associated with match type (i.e., cash vs in-kind) and funding source.**

The terms “cost sharing” and “cost matching” are often used synonymously. However, the term “cost sharing,” conveys the concept that non-federal share is calculated as a percentage of the **Total Project Cost**. On the other hand, “cost matching” for the non-federal share is calculated as a percentage of the **federal funds only**, rather than the Total Project Cost. The applicable regulations appear at 2 C.F.R. § 910.130(d)(2).

The following costs are allowable in accordance with the applicable cost principles:

- (i) Cash;
- (ii) Personnel costs;
- (iii) The value of a service, other resource, or third party in-kind contribution determined in accordance with Subpart E - Cost Principles - of [2 CFR part 200](#). For recipients that are for-profit organizations as defined by [2 CFR 910.122](#), the Cost Principles which apply are contained in [48 CFR 31.2](#). See [§ 910.352](#) for further information;
- (iv) Indirect costs or facilities and administrative costs; and/or
- (v) Any funds received under the power program of the Tennessee Valley Authority (except to the extent that such funds are made available under an annual appropriation Act);

Exclude the following costs:

- (i) Revenues or royalties from the prospective operation of an activity beyond the time considered in the award;
- (ii) Proceeds from the prospective sale of an asset of an activity; or
- (iii) Other appropriated Federal funds.
- (iv) Repayment of the Federal share of a cost-shared activity under Section 988 of the Energy Policy Act of 2005 shall not be a condition of the award.

- **Is the state 15% cost match on the entire federal grant amount or just the amount the state spends? That is, does the state have to provide a 15% match for the federal amount sub-granted to other entities?**

Each State and Indian Tribe is required to match 15 percent of the total federal allocation provided to the State or Indian Tribe under the grant. If a State or Indian Tribe chooses to accept less than the formula allocated amount, they would only be responsible for cost match on the amount accepted.

- **Regarding the funding that can be used for technical assistance and administrative costs, is the 5% for TA and 5% for admin? Or 5% for both combined?**

The 5% is being applied for both technical assistance and administrative costs combined.

- **Can DOE provide (or direct) potential applicants to the data sources utilized to calculate the funding allocation and provide an example of the calculation?**

This information is posted online at the following link: [Section 40101\(d\) Formula Grants to States & Indian Tribes | netl.doe.gov](#)

- **The ALRD indicates that cybersecurity resilience measures are not allowed under Sec 40101(d). Please explain why and does this apply to cost match?**

DOE realizes the importance of cybersecurity and wants to ensure that investments made through the Grid Resilience Grants will not exacerbate issues within the energy delivery system. It is expected that any concepts, technologies, or systems deployed will meet, at a minimum, any cyber requirements within the entity's energy infrastructure and further be in compliance with any corresponding standards. However, IJA Section 40101(e)(2)(A)(ii) states that "[a] grant awarded to an eligible entity under the program may not be used for . . . cybersecurity." Additionally, cybersecurity investments cannot be used as cost matching since financial assistance regulations treat government share and recipient share the same. Thus, since government funds cannot be used to support cybersecurity resilience measures, neither can recipient share be counted as part of the award.