Frequently Asked Questions (FAQ)

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

October 28, 2026

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I. Application:

1. How can I apply for FY 2025/ FY 2026 funding?

The process for requesting the FY 2025 and FY 2026 combined allocation ("FY25/FY26 allocation") depends on whether the applicant is an existing grant recipient or a new grant applicant:

Existing Grant Recipients that have already received grants for FY 2022, FY 2023, or FY 2024 of the Formula Grant Program will have 120 days from the issuance of ALRD Amendment 000010 to request their FY25/FY26 allocation, in accordance with the Terms and Conditions of their current award.

New Grant Applicants are eligible applicants (as defined in ALRD Amendment 0000010) that did not receive a grant in FY 2022, FY 2023, or FY 2024 of the Program. New Grant Applicants will have 120 days from the issuance of ALRD Amendment 000010 to submit a grant application for a FY25/FY26 allocation. Several one-time actions must be completed before an application can be submitted, including registration with the System for Award Management (SAM), obtaining a Unique Entity Identifier (UEI), and registering with FedConnect.net. These actions can be completed prior to the issuance of ALRD Amendment 000010. Prospective new grant applicants are encouraged to address these items as soon as possible, as some may take several weeks to complete. Additional instructions for new grant applicants will be provided in the ALRD Amendment 000010.

2. **Why is my State ("State" includes states, U.S. Territories and the District of Columbia) or Indian Tribe's FY 2025/FY 2026 allocation different from its FY 2024 allocation?**

   Formula grant allocations may change year-to-year for several reasons. IIJA Section 40101(d) language requires that all data relating to the factors used in the allocation formula be updated annually, which means that each recipient's allocation may be different throughout the Program. Changes to underlying data, such as updates to FEMA's National Risk Index released in December 2025, may translate to changes in allocations. Additional reasons why allocations may have changed include improvements to the data sources and methodologies used to calculate each factor and addition of previous allocations' unclaimed funds to the pool of available FY25/FY26 allocations.

3. **Can my State or Indian Tribe submit an application if it did not apply for previous rounds of funding?**

   Yes. States and Indian Tribes that did not apply for FY 2022 – FY 2024 funding by the relevant deadline may apply for the remaining funding allocation. Grant funding is available to each eligible recipient regardless of previous application status.

4. **How can I confirm that my application has been submitted/received?**

   Once an application has been submitted, FedConnect will display the date and time of the submission on a confirmation page. Submitted applications initially undergo a compliance and technical review. This process may take a few months based on the number of applications received. A Federal Project Officer (FPO) is assigned to be the primary point of contact for the grant. The FPO will reach out to provide an update. If you have not received any correspondence regarding your application, you can reach out via FedConnect (https://www.fedconnect.net/fedconnect/?doc=DE-FOA-0002736&agency=DOE), OEGridResilience@doe.gov, or OETribalAssistance@doe.gov for an update.

5. **If I am an existing grant recipient, do I need to submit a new Program Narrative and conduct a new public hearing to receive FY25/FY26 funds?**

   States and Indian Tribes must submit a Program Narrative to DOE that accounts for each funding allocation to receive funding. Existing grant recipients do not need to submit a revised Program Narrative—and comply with associated public notice and hearing requirements—unless the recipient's plans for implementing the award approach have changed or if the original Program Narrative did not account for or contemplate resilience projects beyond those implemented with FY 2022 – FY 2024 funding.

6. **Some applicants have difficulties with internet. Is there any way an applicant can submit a hard copy application?**

   A mail-in option is available for applicants with limited internet connectivity. The mail-in address is listed on the Administrative Legal Requirements Document (ALRD) and applications must be postmarked by the deadline. Applicants can reach out to OEGridResilience@doe.gov or OETribalAssistance@doe.gov if additional flexibilities are required. Indian Tribes may also join a Tribal Consortium, as described in the Tribal Consortiums and Third-Party Agents section.

7. **Can multiple Indian Tribes conduct a single public notice and hearing?**

   Yes, if the public notice and hearing are inclusive of all the Tribes in question.

8. **Can IIJA funding be used for the acquisition of land and is it an allowable cost under the grant?**

   Acquisition of land or easements is not an allowable use of grant funding. 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 and is an allowable use of grant funding.

9. **As stated in the IIJA, an eligible entity may not apply 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 IIJA 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 if they are separate scopes of work that address different resilience measures.

10. **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 grant application to DOE. As grant recipients identify and develop proposed resilience projects after the issuance of the grant, the State or Indian Tribe must provide the resilience project and subaward budgets and other information to DOE in accordance with **ALRD Section V. G – Resilience Project and Subaward/Subcontract Notification**.

11. **How will my State or Indian Tribe 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 detailed 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.

II. Forms and Templates:

1. **Both the Pre-Award Info and the Environmental Questionnaire request a "Principal Investigator." Is there a specific definition for who the Principal Investigator is for an applicant? Can the Principal Investigator be the same person as the authorized Representative on the Pre-Award Info form? Or the same as the Business Officer or Technical Project Manager?**

For the purposes of your grant agreement, the principal investigator is the same as the Technical Project Manager. The Technical Project Manager is the technical lead, or project manager, of the project. This person is responsible for all technical and project management aspects of the grant and associated activities. The Technical Project Manager should be a different person than the Business Point of Contact. Both must be authorized to serve in this capacity by a legally authorized person or entity within the State's or Tribe's organization.

2. **On the Pre-Award Information Sheet, B. 1. Information for Determining Cognizant Agency/Office, Federal contracts/awards - The applicant is asked to provide information for the "5 highest dollar award valued for current Federal contracts, grants or awards for which the organization receives funding (either as a prime or subcontract) directly from a Governmental agency." If the applicant is an Alaska Native Regional Corporation and has a large subsidiary that has extensive government contracting. Would that subsidiary's Federal contracts be included here? Or just those held by the primary applicant?**

   Only the federal awards that the prime applicant or lead Indian Tribe for a Tribal Consortium has should be included on the Pre-award information sheet, not their subsidiary. Generally, any agreements/contracts with the Federal Government under the same UEI as the prime applicant should be considered when listing the five highest dollar awards.

3. **Our Indian Tribe would like to authorize a unit/branch of the Tribal Government that is legally its own entity to apply on behalf of the Tribe. What is needed in this case?**

   An Indian Tribe may authorize a unit/branch of its Tribal government to serve as the prime applicant through a Head of Government letter or Tribal Council Resolution. With this authorization, the unit/branch will assume responsibility for the grant requirements. All required grant documents should be filled out according to the unit/branch's financial information and Unique Entity Identifier (UEI).

4. **Does Section B – Accounting System on the Pre-award information sheet need to be filled out if the applicant is proposing indirect costs as part of their budget, i.e., as part of its 15% cost match, since there otherwise is no budget approval process for this application?**

   Section B – Accounting System must be completed to the best of the applicant's ability regardless of whether the applicant is proposing indirect costs. Some of the fields might need to be marked "N/A".

5. **The Pre-award Information Sheet explanation refers to "provisional indirect rate agreement" and "final indirect rate agreement." An applicant would likely either be aware of any prior negotiations or rate agreements and be able to list their Cognizant Federal Agency (CFA) contact info, or they would not have this info because a CFA has not previously been assigned in some cases. E.g., an applicant may not have a CFA if they have not negotiated these rates previously because they do not have any current federal awards with indirect cost components, or they have no previous federal awards at all. Is this correct?**

   This is correct.

6. **For the Pre-award Information Sheet, should applicants list the grid resilience grant funds in the table of the 5 highest dollar value awards for Federal contracts or DOE contracts, or should these not be listed because the award has not been made yet?**

   The Formula Grant does not need to be listed if an applicant has not received a grant yet.

7. **Are there any resources on indirect rate negotiation that might help an applicant interpret this section more clearly?**

   Resources:
   1. 2 CFR Part 200, Appendix VII – States and local Government and Indian Tribe Indirect Cost Proposals
   2. 2 CFR Part 200, Subpart E, Cost Principles (200.400 – 200.476)

8. **What date should I use for the Project Start and End dates on the SF-424, Section 17?**

   You may leave those fields blank. The project start date will be the date the DOE Contracting Officer executes the grant agreement, and the end date will be five years after the start date.

9. **DUNS numbers are no longer used. The UEI number will not fit into the SF-424 field for the DUNS number. What should I do?**

   If you are using an older version of the SF-424, the SF-424 might not accept the UEI number in the DUNS field (8c). If this happens either use a more recent version of the form or leave that field blank and include the UEI in the Pre-Award Information Sheet submitted with your application.

10. **When do we need to fill out the SF-LLL (Disclosure of Lobbying Activities)?**

    Recipients and subrecipients that have lobbying activities to disclose: Complete and submit the Disclosure of Lobbying Activities (SF-LLL) available to ensure that non-federal funds have not been paid and will not be paid to any person for influencing or attempting to influence any of the following in connection with the application:
    - An officer or employee of any federal agency;
    - A Member of Congress;
    - An officer or employee of Congress; or
    - An employee of a Member of Congress.

    Recipients and subrecipients that have no lobbying activities to disclose: Complete and submit Certification Regarding Lobbying form (OMB 4040-0013)

    Both forms are available here: Application Forms and Templates | netl.doe.gov

11. **Do the application forms need to be electronically signed?**

    The signatures on the application forms may be signed electronically or they may be printed, signed by pen/ink, and then scanned.

12. **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 its consent to proceed with 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 sufficient time for this process from when you provide the required information to DOE.

13. **How do I fill out the Environmental Questionnaire (EQ)?**

    The NEPA Environmental Questionnaire (EQ) you submit with your grant application will address only the technical assistance and administrative activities.

    - The initial award will only authorize technical assistance and administrative activities.
    - For the initial grant application, once you complete Section II Questionnaire, you may check the "Group A" box, then proceed directly to Section III Certification by Proposer and sign the form.

    Resilience projects and associated subawards must be approved individually post-award and will require separate Environmental Questionnaires. You will need to submit a NEPA EQ for each resilience project and subaward in accordance with **ALRD Section V.G - Resilience Project and Subaward/Subcontract Notification** (Term also contained in the Terms and Conditions of your Assistance Agreement).

14. **If my Indian Tribe does not have a cognizant federal agency, how should I fill out the "Information for Determining Cognizant Agency/Office" section of the Pre-Award Information Sheets?**

    If the Tribe does not have a cognizant federal agency (an agency that an entity works with to develop its indirect rates/accounting information), then you can put N/A for the Agency and the DOE Office and leave the remainder of those sections blank.

III. Program Narrative and Public Notice & Hearing:

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

    No, subrecipients do not need to be identified by name within 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.

2. **Do States and Indian Tribes need to identify specific grid resilience projects in the Program Narrative?**

   No, applicants **do not** need to identify specific resilience projects in their program narratives. OE encourages applicants to keep their program narratives high-level and omit project specifics, to encourage post-award flexibility. Upon receipt of award, the Recipient must demonstrate the resilience benefits of their proposed investments, consistent with the rationale provided and identified metrics within the program narrative of the application.

3. **Must a State or Indian Tribe conduct a public hearing for each funding allocation application? Is the public hearing held prior to the submission of the application or post-submittal?**

   There is no requirement to conduct a public hearing annually unless the Program Narrative is revised. A State or Indian Tribe must submit a Program Narrative with its initial application for the grant funding and with each subsequent allocation request to the DOE to receive its funding allocation. A public notice and hearing must be conducted to change the Program Narrative.

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

   Yes, 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.

5. **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 include several options such as the use of competitive solicitations, direct awards, and the use of financial institutions. 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, if minimum requirements are met, as noted above. If a Tribal Consortium application will be submitted, the public notice and hearing must address the Tribe's plan to join a Tribal Consortium.

   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 solicitating, 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 in 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 grid resilience. 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.

IV. Tribal Consortiums:

1. Can two or more Indian Tribes submit a single application for a Tribal Consortium whereby one Indian Tribe is responsible for administering the combined award on behalf of the other Tribal members of the Consortium?

Yes, multiple Indian Tribes can form a "Tribal Consortium." The U.S. Department of Energy (DOE) issued an amendment to the Administrative and Legal Requirements Document (ALRD) for the Grid Resilience State and Tribal Formula Grants Program to allow Tribes to submit applications via Tribal Consortium.

For purposes of the Formula Grant program, a "Tribal Consortium" is "two or more Indian tribes (as defined in Section 40001(2)), that have designated a single Indian tribe to act on their behalf as lead Indian Tribe of the Tribal Consortium." To participate in a Tribal Consortium, two or more eligible Indian Tribes must designate an eligible Indian Tribe to act on their behalf as lead Indian Tribe of the Tribal Consortium. The lead Indian Tribe of the Tribal Consortium would be the awardee and would be responsible for meeting all grant requirements on behalf of the Tribal Consortium. Using a Tribal Consortium would allow resource-constrained eligible Indian Tribes to pool resources to meet the Sec. 40101(d) Program Grid Resilience State and Tribal Formula Grant requirements, such as applying to the grant, managing funds, and providing the required reporting. Template Head of Government letters are available that can be used by Indian Tribes to designate another Tribe as the lead Indian Tribe of the Tribal Consortium and to accept such designation. The Tribal Consortium approach will reduce the reporting requirements by consolidating reporting for Indian Tribes participating in a consortium. OE encourages Tribes to apply as a Tribal Consortium to streamline reporting requirements of each Tribe.

- **Example of a Tribal Consortium.** Indian Tribes A, B, and C are all eligible to receive a Formula Grant allocation and decide to form a Tribal Consortium. Indian Tribes B and C each provide a Head of Government Letter or Tribal Council Resolution, as appropriate, designating Indian Tribe A as the lead Indian Tribe to act on their behalf as lead Indian Tribe of the Tribal Consortium. Indian Tribe A, as the lead Indian Tribe, provides a Head of Government Letter or Tribal Council Resolution, as appropriate, accepting the designation of lead Indian Tribe for the Tribal Consortium and may then act on behalf of the Tribal Consortium and apply, receive funding, and administer the Formula Grant on behalf of Tribes A, B, and C. As the lead Indian Tribe, Indian

Tribe A would be the awardee and would use its UEI number in FedConnect, and it would be responsible for meeting all grant requirements including submitting the application, receiving the grant funding, and fulfilling all reporting requirements. Reporting requirements may be consolidated for a Tribal Consortium.

2. **Can a third-party agent submit an application on behalf of a Tribe or Tribal Consortium?**

   No, the application must be submitted by an eligible Indian Tribe or a Tribal Consortium (as defined above). However, the Indian Tribe or Tribal Consortium may authorize a third-party agent to prepare the grant application and manage the grant funds. The third-party agent may also submit the required reporting for the eligible Indian Tribe or Tribal Consortium pursuant to the award. The eligible Indian Tribe and/or the lead Indian Tribe of the Tribal Consortium, as applicable, will ultimately be responsible for satisfying all grant requirements, including the applicable cost match.

3. **What should an Indian Tribe do if they would like to join a consortium, but they have already received a grant in prior years?**

   Indian Tribes that have already been awarded their grant funds that would like to join a Tribal Consortium should notify their Federal Project Officer immediately.

4. **What documents must a participating Indian Tribe provide for a Tribal Consortium application?**

   Participating Indian Tribes, or Tribes that are not designated as the lead Indian Tribe of a Tribal Consortium, must provide a "Tribal Council Resolution" or "Head of Government Letter" to the lead Tribe providing authority to the lead Indian Tribe to act on their behalf as lead Indian Tribe of the Tribal Consortium and receive its allocations. If the participating Indian Tribe expects to provide all or part of the required cost match, a cost match commitment letter stating that the Indian Tribe is committed to providing a specific minimum dollar amount of cost match, identify the type of proposed cost match (e.g., cash, services, and/or property) to be contributed, and be signed by the person authorized to commit the expenditure of funds by the entity.

5. **What documents must a lead Indian Tribe provide for a Tribal Consortium application?**

   The lead Indian Tribe is responsible for submitting all the required documents. The following documents will be almost identical to an application filled out independently, other than changes in award amounts.

   - Program Narrative
   - SF-424
   - Environmental Questionnaire
   - SF-LLL Disclosure of Lobby Activities OR Certification Regarding Lobbying form (OMB 4040-0013)
   - Pre-Award Information Sheet
   - Cost match Commitment letter
   - Consortium Lead Tribe Head of Government Letter
   - Authorization from cognizant Contracting Officer for DOE/NNSA FFRDC/NL or non-DOE FFRDC/NL, if applicable

Key differences in the Tribal Consortium application will be in the following documents:

- The Program Narrative for a Tribal Consortium will need to include all the requirements of an individual Tribe's Program Narrative. It will also need to include a statement on how resilience objectives will benefit all participating Consortium Tribes and how Consortium Tribes will participate in decisions regarding use of grant funds.
- Besides including a "Tribal Council Resolution" or "Head of Government Letter" from each participating Tribe that provides the lead Tribe with the authority to act on behalf of the participating Tribes, the lead Indian Tribe must also submit a "Tribal Council Resolution" or "Head of Government Letter" stating that the lead Tribe will apply for grant funding and administer the grant on behalf of all participating consortium Indian Tribes.
- The lead Tribe will also need to gather cost match commitment letters from each participating Tribe, if they are committed to providing any or all of the required cost match.

6. **If an Indian Tribe has already hosted a public notice and hearing individually but would like to join a consortium, can they use the same public notice and hearing as part of their application?**

   The public notice and hearing should discuss the process in which the projects will be selected and administered post award and allow for a discussion of the program narrative. The public notice, hearing, and program narrative must address the implementation as a Tribal Consortium. Therefore, a previously held public notice and hearing for an individual Tribe will not satisfy the public notice and hearing for a Tribal Consortium. At a minimum, the lead Tribe should host one public notice and hearing encompassing all Tribes in the consortium.

7. **Our Tribal Consortium would like to add additional Tribes next year. Would we need to host a new public notice and hearing to add additional Tribes to our application?**

   The public notice, hearing, and program narrative must address the implementation as a Tribal Consortium. A Tribal Consortium that is planning to add additional members in subsequent years are encouraged to invite the potential participating Tribes to the first public notice and hearing. The Program Narrative should be written in a manner that allows other Tribes to join the consortium during a later application cycle without the need to make changes to the Program Narrative. If a change to the Program Narrative is required, a new public notice and hearing will need to be held. If new Tribes plan to join the Tribal Consortium that have not previously participated in the original public notice and hearing, the Tribal Consortium will need to hold a new public notice and hearing that includes the new Tribal Consortium members, as well as amending the Program Narrative to add the new Tribal Consortium members to the list of participating Tribes.

8. **Our Tribal Council meets quarterly, and we will not be able to obtain a Tribal Council Resolution in time for our application. Can we provide a letter from our chairperson that a resolution to ratify their signature will be forthcoming?**

   The appointment letter does not necessarily need to be a Tribal Council Resolution. Any instrument of appointment by the Indian Tribe's legally authorized entity may be accepted if it is consistent with the Indian Tribe's customs and provides the appropriate designation. Therefore, a letter from the Chairperson would be accepted if it meets the Tribe's customs and includes the appropriate information.

9. **As the lead Tribe of a Tribal Consortium, do I need to disclose lobbying activities of each Tribe on the SF-LLL?**

   Yes.

10. **As the lead Tribe of a Tribal Consortium, do I need an SF-424 for each Tribe's allocations?**

    Only one SF-424 is needed for each Tribal Consortium. The total requested funding for all Tribes within a consortium should be included on the SF-424 form. The maximum funding that can be requested by a Tribal Consortium by the application deadline is equal to the sum of the available allocations for all Tribes within a consortium.

11. **As the lead Tribe of a Tribal Consortium, how do I fill out the Pre-award Information Sheet?**

    The pre-award information sheet for a Tribal Consortium should be filled out in the same manner as if the lead Tribe was applying individually. The questions listed on the pre-award information sheet will only apply to the lead Tribe.

12. **Our Indian Tribe plans to submit its application independently but will likely work with a third-party agent later to administer the grant and submit reporting requirements. Can we authorize a third-party as a representative of the Tribe after the application deadline?**

    Yes, a Tribe may apply independently and authorize a third-party agent to represent the Tribe after the application deadline. Please consult with the DOE Federal Project Officer for your grant for additional instructions.

13. **Our Indian Tribe or Tribal Consortium would like to ensure that we understand the grant requirements and provide all the required documents in time. What grant application assistance can DOE provide?**

    OE is available to meet with Tribes and representatives of Tribal Consortiums to discuss the grant application and requirements. Please send an email to OETribalAssistance@doe.gov to schedule a meeting.

14. **If an Indian Tribe is included in a consortium application and cannot come up with the full 15% + 1/3 cost share that may be needed to expend its funds – provided it is considered a small utility – can that Indian Tribe make the determination that it wants its funds expended in the community of a different Indian Tribe in the consortium that has those match fund available?**

    Member Indian Tribes of a Tribal Consortium do not have to demonstrate a specific/proportional cost-share amount if the lead Indian Tribe can demonstrate the required cost match is met for the total Tribal Consortium award. (The eligible entity cost match requirements will be determined as projects are identified and are not assigned to individual member Indian Tribes).

    The Tribal Consortium and its members have the discretion to make decisions regarding the use of the funds each year. DOE expects that all Tribal Consortium member Indian Tribes consent to the proposed

use of the funds and all member Indian Tribes will receive a community benefit from the funding awarded. Accordingly, as directed in the ALRD, the consortium's Program Narrative must address how resilience objectives will benefit all participating member Tribes and how member Tribes will participate in decisions regarding use of grant funds.

15. How does the Office of Management and Budget Controller Alert CA-23-04 "Waiving Matching Fund Requirements for Insular Areas" affect cost match requirements for the Grid Resilience Formula Grant program?

DOE has reviewed the guidance in CA-23-04 regarding waiving certain requirements for local matching funds for grants to the four insular areas – the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands – to determine how it applies to the Formula Grant program. In accordance with Controller Alert CA-23-04, DOE has determined that it is necessary and appropriate to waive the non-Federal cost sharing requirement of 15% pursuant to IIJA Section 40101(d)(8) for $200,000 and greater for the Program for the Insular Areas under ALRD DE FOA-0002736. The Office of Electricity will provide the insular areas with additional information about cost match requirements.

V. Allowable Activities:

1. Is an emergency generator on an essential facility or critical facility eligible?

IIJA 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. However, funding for electric generation resources, such as diesel, gasoline, or natural gas generators, is allowable when the generator is combustion-based and configured to provide emergency backup generation during a disruptive event. In addition to emergency backup generation, installing a Battery Energy Storage System (BESS), including mobile BESS, to continue to supply electricity where needed during disruptive events would be an allowable project.

2. Can grant funds be used for demand side responses such as smart thermostats, HVAC units, and building controls?

With the exception of emergency backup combustion-based generation and Battery Energy Storage Systems (BESS) used for outage response, projects located behind-the-meter or demand side response are generally not allowable.

3. My allocation or subaward isn't large enough to complete the proposed project. Can grant funds be used to purchase equipment that will be used later or installed using outside funding? What about building inventories of commonly needed items to restore power after an outage? Can we "stockpile" equipment we may need later?

Recipients may purchase equipment commonly used to restore power after an outage such as pole mounted or pad mounted transformers, utility poles, cross arms, conductor, guy wires, etc. in order to build an Emergency Equipment Inventory. However, equipment purchased for a specific project must be

installed as part of the resilience project in order to adequately demonstrate a grid resilience benefit and comply with Build America, Buy America (BABA) and Davis-Bacon Act (DBA). If a grant recipient or subrecipient lacks funds to purchase and install the equipment for the full scope of the proposed resilience project, the recipient or subrecipient may descope the project to fit into the funding received or increase the cost match (or, in some cases, the federal amount subawarded should the State or Indian Tribe allow this) to complete the purchase and installation. Purchasing items for emergency equipment inventory may be allowable but the requested equipment and quantities need to be clearly tied to emergency grid restoration, rather than a wish list for modernizing the grid. These projects will be termed "Emergency Equipment Inventory (EEI)" rather than "stockpiling."

4. **What equipment is allowable with respect to integration into microgrids, e.g., integration of battery/load management systems into a solar-powered microgrid?**

   New electric generating facilities, with the exception of emergency backup combustion-based generators, are not allowable under this provision. Energy storage systems, e.g. batteries, are allowable if the system is used to improve grid resilience during disruptive events. If there is a project that includes integrating a battery into a solar-powered microgrid, only the BESS and components needed to integrate for backup storage and generation purposes are allowable for reimbursement under the grid resilience grant program.

5. **If project is part of a broader project, how does the Recipient account for federal portion of the funds and separate out the scope?**

   Federally funded projects should provide standalone benefits to the grid. Federally funded projects under this program should not be contingent on the successful execution of other projects being funded through other sources. When a subaward is part of a larger project, recipients should distinguish between (a) the federally funded portion of the scope and (b) the broader project in the subaward/project notification template. For example, a project that seeks to use federal funding to underground 5 miles of power lines as part of a 30-mile undergrounding effort should distinguish between the federally funded scope (5 miles) and the broader project (25 miles). The subaward/project notification template for such projects should explain how the project will benefit targeted communities on its own and as part of the broader project. Recipients should work with their FPOs to determine how best to utilize financial, annual metrics and quarterly reporting templates for their specific project compliance needs.

6. **Can a recipient use IIJA funds to perform an overhaul on existing diesel engine generators or replace existing distributed energy resources (DER) components?**

   IIJA Section 40101(e)(2)(A)(i) prohibits the use of grant funds for construction of a "new electric generating facility." Modification of an existing generation facility may be an eligible use of funds if the proposed project reduces the likelihood and consequences of disruptive events and meets one of the eligible uses of grant funds listed in IIJA Section 40101(e), such as weatherization or hardening of facilities. Any work performed on an existing generating system may not (a) increase the maximum rated output of the original nameplate capacity or (b) require a new interconnection.

   Examples of allowable projects:

- Replacing old generation components with new components of the same type in order to ensure weatherization/resilience.
- Replacing an existing generation system located behind-the-meter (BTM) that does not have an interconnection with the grid.
- Overhauling a diesel engine, including replacement of the system or replacement of components and parts that are reducing the performance of the existing system.
- Training directly related to a specific grid resilience project.
- Refurbishment of existing transformers.
- New fuel tanks, either to replace old or faulty tanks or to increase fuel storage capacity, would be an allowable project under this program if it provides resilience benefits for the grid (see FAQ response below for additional guidance on fuel storage).

Examples of projects that are not allowable:

- Expanding the nameplate capacity of an existing diesel generation facility or solar system.
- Replacing a diesel generator with a different generation system, such as a solar farm.
- Routine maintenance activities.

7. 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)(1) 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. However, a new distribution line for the purpose of energizing a previously unenergized section or expanding to new service territory is not an allowable use of funds. Additionally, undergrounding of existing distribution and transmission lines is an eligible use of Section 40101 funds. For new transmission power lines at or above 69kV, Section 40101 funds may not be used except in the case that the applicant clearly demonstrates that the new transmission line either completes a radial loop or solves an N-1 contingency issue. However, States and Indian Tribes are advised that a new transmission line project may require certain studies or records to be prepared to complete the review process under the National Environmental Policy Act (NEPA), such as an environmental assessment (EA) or an environmental impact statement (EIS). Accordingly, States and Indian Tribes are advised to account for that in the implementation schedule for a new transmission line project.

8. Can you please clarify whether 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. IIJA 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.

9. **What funding opportunities from US Department of Agriculture can be used in conjunction with the Formula Grant?**

   The Department of Agriculture (USDA) funds two programs that can be used in conjunction with the 40101(d) grant: Powering Affordable Clean Energy (PACE) and Empowering Rural America (New Era). PACE can fund new renewable power generation and energy storage and has broad eligibility (e.g.; for profits, nonprofits, states, territories, and Indian Tribes). Projects must serve at least 50 percent of rural populations. For Tribes and territories, under PACE, USDA Rural Development's Rural Utilities Service (RUS) will forgive up to 60 percent of a loan, up to $100M, for renewable energy projects that use wind, solar, hydropower, geothermal, or biomass, as well as for energy storage projects. The application window was open June 30 – September 29, 2023, with applications processed on a rolling basis. New ERA can fund clean energy generation and grid investments for rural electric cooperatives. Funds can be used to purchase, build, or deploy renewable energy, zero-emission systems, carbon capture storage systems, and make related energy efficiency and other improvements to transmission and distribution. The application for New ERA opened on July 31, 2023, and was open until August 31, 2023.

   Additional funding opportunities for Tribes are listed on the Office of Indian Energy's Current Funding Opportunities page.

   Note that when using other Federal funding for a resilience project, the funding could support separate and discrete project components such that costs can be tracked separately.

10. **Weatherization is one of the allowable uses. Could Indian 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 – their homes and tribal facilities will stay warm.**

    Weatherization activities such as window replacements, insulation, etc. are not an allowable use of funds. 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 the Formula Grants to States and Indian Tribes program is focused on grid components and systems, and not weatherization of a facility or building.

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

    Generally, projects for individual benefit (i.e., on individual houses) are not allowable under this program, as recipients are required to give priority to projects that "generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events." However, OE retains the discretion to allow behind-the-meter projects at critical facilities or on multi-unit dwellings in unique cases where community benefit can be adequately demonstrated.

12. **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 emergency backup combustion-based generators, energy storage devices (e.g., batteries), and microgrids, can be used to provide electrical energy during disruptions and, therefore, provide system adaptive capacity.

13. **Can Formula Grant funding be used to replace fuel tanks if it would provide grid resilience benefits to the Indian Tribe?**

    Yes. New fuel tanks, either to replace old or faulty tanks or to increase fuel storage capacity would be an allowable project under this program if it provides resilience against severe weather for the grid serving the Indian Tribe.

14. **Could a recipient use their 40101(d) funding to install EV charging stations and/or to pay for operations and maintenance costs for those EV charging stations?**

    No, the installation of EV charging stations or maintenance and operation costs are not eligible uses of Grid Resilience Grant funds.

15. **Could a recipient use their 40101(d) funding to purchase large equipment such as excavators, right-of-way clearing equipment, bucket trucks, snowplows, and other types of large equipment?**

    These types of large equipment are often used in standard business practices related to providing electric utility service, but in order to be eligible for funding under the Grid Resilience Formula Grant program, they must be clearly related to a project that is intended to reduce the likelihood and consequences of disruptive events.

16. **Can equipment acquired through IIJA funds for the Formula Grants be used only during disruptive events, or can equipment be used during normal operations as well as disruptive events?**

    Equipment acquired through the Grid Resilience Formula Grant program can be used during normal operations, but the expectation is that these technologies, systems, etc. will be used to reduce the likelihood and consequences of disruptive events.

17. **Can formula grant funding be used for studies?**

    Yes, formula grant funding can be used for different types of studies. The scope and cost of the studies will be reviewed on a case-by-case basis. Please note that every grid resilience project must include an infrastructure component. Studies must be related to allowable grid resilience projects.

    Generally, if the study being performed is more exploratory and studying different options, then of the federal allocation, only the technical assistance and administrative allowance could be used (capped at 5% of the federal funding received). For exploratory planning/scoping studies, applicants may also use some or all of their required award cost match (15%).

    If the study is not exploratory in nature and is instead focused on a specific allowable project to determine performance specifications, bill of materials, etc., then it could be considered part of project

implementation (and not subject to the funding restrictions detailed above). For these project-specific studies, the subaward cost match (33% or 100%) may also be used.

18. I know 95% of the award has to be sub-awarded to eligible entities. Should we anticipate that the cost for the required Environmental Assessments will come out of their 95%?

The environmental assessment can be part of *Project Implementation* or *Technical Assistance (TA) and subject to 5% cap on Federal allocation*. The performer of this study can either be the Eligible Entity (subject to required cost match) if part of project implementation or the Grant Recipient or TA contractor if part of 5% TA allowance.

VI. Eligible Entities:

1. When should recipients submit Secretarial Eligible Entity Designation (SEED) Requests to DOE for potential subawardees who do not fall under the eligible entities outlined in IIJA Sec. 40101(d)?

Grant recipients must use the Secretarial Eligible Entity Designation (SEED) Request Template when a proposed resilience project will be carried out by an entity other than those identified as 'eligible' in Section 40101(a)(2). Requests should be submitted to DOE via the grant recipient's Federal Project Officer (FPO) following the initial award kickoff meeting but before submission of a subaward notification package. If an entity's eligibility status is unclear, recipients should discuss it with their FPO.

2. What is the cost match for an Indian Tribe that elects to be an eligible entity and perform the project work?

A grant recipient that elects to also serve and is qualified to be an eligible entity for a resilience project will be required to provide the 15% cost match on the total grant *as well as* the required eligible entity cost match for the grid resilience project (100% or 1/3). The eligible entity cost match level depends on whether the grant recipient is considered a small utility.

3. 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, or if the proposed resilience project is not selected for a subaward, the funds may be made available to other eligible entities.

4. 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.

5. **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.

6. **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.

   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.

7. **Can an eligible entity submit the same project 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."

VII. Project Administration:

1. **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.

2. **What are the reporting requirements?**

   Recipients have several reporting requirements related to metrics and impacts during and following completion of resilience projects:
   1. Inclusion of the project information in the Annual Program Metrics and Impact Reports during the project implementation and for two full reporting cycles following completion of the resilience project and

2. Inclusion of project-specific information in the Quarterly Progress Reports (QPRs) during the project implementation and in the QPR submitted following completion (i.e., close out) of the resilience project.

More details on grant reporting requirements are listed in the Federal Assistance Reporting Checklist (FARC), contained within the Assistance Agreement.

3. 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.

4. Can recipients receive and accumulate multiple annual allocations until they have enough resources to do a larger 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. This may be particularly relevant for Tribes and other recipients that are allocated relatively smaller annual amounts (e.g. under $100k per year): accumulating multiple annual allocations could enable the recipient to fund a larger and more impactful project. Work must be performed within the Period of Performance of the grant agreement.

5. 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.

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

   ALRD Section IV.I – 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.

7. **What do I need to submit with my subaward notification package?**

   In accordance with the Resilience Project and Subaward/Subcontract Notification Term in your Assistance Agreement, your subaward notification package should include the following forms, templates, and information:

   - **Resilience Project & Subaward Notification Template** to provide a detailed description of the proposed project
     - **Metrics to be collected and reported in the Quarterly Progress Report.** This list will be used to measure and demonstrate the beneficial impact of the resilience project on the resilience of the grid and to the community served.
   - **Budget Justification Workbook** to provide budget detail for the proposed resilience project
   - **Environmental Questionnaire** is required for NEPA compliance covering the subaward activity.
   - **Cost Match Commitment Letter** from the subawardee committing to meet the cost matching as required in IIJA Section 40101(h).
   - **Secretarial Eligible Entity Designation Request Template** (only if the subawardee is not an eligible entity as defined in the program requirements)
   - **Buy America Waiver Request** (only if the subawardee is requesting a waiver from the Build America Buy America Act)
     - **Performance of Work in the United States Waiver** (only if the subawardee is performing a portion of the work outside the United States).

   In addition to the documentation listed above, there are other assurances and information that must be provided with the notification package, as stipulated in the Resilience Project and Subaward/Subcontract Notification Term in your Assistance Agreement. Your assigned FPO may request additional documentation on an as-needed basis.

   Subaward notification templates and instructions can be found here: Post-Award Resources | Department of Energy.

8. **How much time should I plan for the subaward approval process once I've submitted a subaward notification package to DOE?**

   DOE aims to provide subaward approvals in a timely fashion. Once a subaward notification package has been submitted, it initially undergoes a compliance review. The FPO may request additional information if the notification package is deficient. Once this initial review is complete, the package proceeds through several additional reviews, including a technical review, budget review, NEPA determination, and risk review process (as applicable). The duration of these reviews is highly dependent on the project details. For example, NEPA reviews can vary between weeks for a categorical exclusion (CX), months for an Environmental Assessment (EA), and longer for a full Environmental Impact Statement (EIS), depending

upon the complexity of the project and potential environmental impacts. Note that projects that are determined by DOE to require an EA or EIS will require additional studies to be performed by the Recipient before the NEPA process can be concluded.

9. **Can past expenses be reimbursed or used for cost match?**

   In accordance with the Terms and Conditions of your Assistance Agreement, pre-award costs are not authorized under this award without prior approval from the assigned Grants Officer. Prior approvals must be submitted in writing to the DOE Grants Officer, Specialist, and Program Manager for your award. You are not authorized to proceed until you receive written notification from the Grants Officer.

VIII. Cost Match, Davis Bacon Act (DBA), and Build America, Buy America (BABA) Act:

1. **If multiple small utilities that are otherwise eligible for the small utility cost-match of 1/3 (IIJA Section 40101(h)(2)) submit an application as a consortium (joint application), are their aggregate electricity sales used to determine whether they are eligible for the small utilities cost-match?**

   No. If a sub-award is made to a consortium of small utilities, then the cost match requirement would be 1/3 of the amount of the grant if each utility in the consortium sells not more than 4,000,000 megawatt hours of electricity per year, or 100% of the amount of the grant if a utility in the consortium sells more than 4,000,000 megawatt hours of electricity per year.

   If there is a large utility within the consortium, it is recommended a new sub-award notification be created specifically for the large utility because the cost match for that large utility would be 100% of the amount of the grant.

2. **If the sub-award is made to an organization or association of small utility members, could DOE explain the required cost match for that association?**

   It may be possible for an organization or association with members that are considered eligible entities as defined in IIJA Section 40101 to be considered an eligible entity. The cost match would be based on the project performers. If the project performers are utilities that sell less than 4,000,000 MWhs annually, then the cost match could be 1/3.

3. **Can ratepayer funds be used as a cost match for the State match and/or (not the same funds) for the subawardee match?**

   Utility funding derived from ratepayers can be used as cost match, pending any state-specific regulatory limitations. This can be used for the State's 15% cost match and/or the eligible entity (1/3 or 100%) cost match.

4. **How do the federal Build America, Buy America and Davis Bacon provisions apply to projects under this grant program?**

Build America, Buy America and Davis Bacon requirements apply to grant recipients and subawardees of this program.

Build America, Buy America Act (BABA): BABA applies a domestic content procurement preference requirement to federally funded public "infrastructure projects." Since BABA is applicable to these projects and recipient entity types, BABA requirements flow down to all sub-awardees regardless of the sub-awardee's entity type. Additional BABA implementation guidance for IIJA funded projects can be found here: Build America, Buy America | Department of Energy.

Davis Bacon Act (DBA): The DBA mandates the payment of local prevailing wages on federal funded public works projects of $2,000 or more—including construction, alteration, and repair work. Further, IIJA Section 41101 applied the DBA wage rate requirements to all construction, alteration, or repair work under DOE IIJA-funded projects. DOE anticipates rolling out an electronic payroll compliance software to assist with DBA compliance. In the interim, grant recipients should comply with the DBA provisions included in their Award Terms and Conditions and ensure these requirements flow down to subawardees. DOE has procured access to LCPTracker to help in documenting DBA compliance. More information on LCPTracker can be found here: Weekly DBA Payroll Tracking with LCPTracker | Department of Energy.

5. What BABA waivers are available for grant recipients under this program?

When necessary, recipients may apply for, and the Made in America Office (MIAO) of the Office of Management and Budget (OMB) may grant, a waiver from the BABA requirements. MIAO may grant a waiver if it determines that the request meets one of the following justifications:

- Public Interest: Applying the BABA Requirement would be inconsistent with the public interest.
- Non-Availability: The types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality.
- Unreasonable Cost: The inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

Additional information about the items that should be included in a waiver request can be found here.

In addition to the project-specific waivers above, certain general applicability waivers are available to apply to resilience projects. These waivers include:

- De Minimis: recipients may apply this waiver to up to 5% of the total applicable material costs.
- Small Grants: recipients may apply this waiver to individual resilience projects or subawards with a total project cost of less than $250,000.
    - Recipients that apply the Small Grants waiver should note that if the resilience project's costs increase above the $250,000 threshold, the Small Grants waiver will no longer apply.
- Minor Components: the non-domestic miscellaneous minor components present in an otherwise domestically produced iron and/or steel product is equal to less than 5% of the total material cost of the product.

Recipients that wish to apply one of these general applicability waivers should contact their assigned FPO for more information on how to apply these waivers.

It should be noted that Tribal recipients awarded grants prior to August 18, 2024, are subject to a Tribal BABA waiver. Please contact your assigned FPO for more information on this waiver. The Tribal waiver can be found here: https://www.energy.gov/sites/default/files/2024-06/BAW%202023-02%20Gen%20App-Public%20Interest-%20Tribal%20Consultation.pdf

Pacific Island Territories may apply a general applicability waiver that waives the BABA requirement for certain products. Some exclusions apply to this waiver such that the waiver does not encompass all components needed for some resilience projects. The Pacific Island BABA General Applicability waiver, and defined exclusions, can be found here: Approved BABA Waiver 2025-05

6. **When and how can I apply for a BABA waiver?**

Grant recipients should submit waiver requests in writing to DOE via their assigned Federal Project Officer (FPO). In most cases, waiver requests should be submitted along with the associated project/subaward notification package. Waiver requests are subject to review by DOE and OMB's MIAO, as well as a public comment period of at least 15 calendar days. Recipient's waiver requests will be made publicly available on DOE's and OMB's websites.
DOE may reject or grant waivers in whole or in part depending on its review, analysis, and/or feedback from OMB or the public. DOE's final determination regarding approval or rejection of the waiver request may not be appealed.

Additional guidance on submission of a waiver request and the existing BABA waivers can be found here: DOE Buy America Requirement Waiver Requests | Department of Energy.

7. **We intend for eligible entities to pay the 15% match on our behalf when those partners are chosen. However, we haven't selected a partner yet, as that is part of our work plan for the grant. Are we then required to pay the 15% match ourselves?**

If an applicant intends to require that the eligible entity pay the 15% cost match for the applicant, on top of their own cost match requirements of either 100% or 1/3 of the amount of the subgrant, this information should be included in the Cost Match Information Sheet submitted with the grant application. If the applicant has not chosen the eligible entity yet and no entities have confirmed their commitment to pay the cost match, a Cost Match Commitment Letter is not required at the time of application submission. The Cost Match Commitment Letter is only required with the initial grant application if and when a third party other than the applicant has committed to paying for all or a portion of the applicant's 15% cost match. DOE will require a Cost Match Commitment Letter from the eligible entity prior to the start of any resilience project, as noted in ALRD Section IV.G – Resilience Project and Subaward/Subcontract Notification. The cost match should be provided/disbursed as federal funds are expended during the course of project execution and drawdown of federal funds occurs.

An applicant may use up to 5% of the federal funds for technical assistance and administrative purposes without subawarding these funds to an eligible entity. This portion of the funds will be subject to the applicant's 15% cost match. If this work is not subawarded to the eligible entity, then it may not require

additional cost match from the eligible entity. The applicant will need to determine if the eligible entity will also provide the 15% cost match for the technical assistance and administrative funds that the applicant uses, or if the applicant will use other funding sources for this part of the 15% cost match. This information should be included in the *Cost Match Information* Sheet.

8. **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 this 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, pursuant to 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, pursuant to 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 necessarily 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 entity, 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 Formula Grant program.

9. **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.

10. **Can States and Indian Tribes use American Rescue Plan Act (ARPA) funding to meet the 15 percent cost match for the Formula Grant program award?**

    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 (31 CFR 35.6(d)(2)(ii)).

11. **Can Indian Tribes use funds from the Local Assistance and Tribal Consistency Fund (LATCF) to meet the cost match for the Section 40101(d) Grid Resilience grant?**

Yes, per the September 2023 Guidance for the Local Assistance and Tribal Consistency Fund (LATCF), issued by the U.S. Department of Treasury, Indian Tribes may use LATCF funds to meet the cost match requirements if it is consistent with the terms and conditions of the LATCF funds. Indian Tribes that wish to use LATCF Funds should include a statement acknowledging that their use of the cost match is consistent with the use of said funds.

12. **Can Indian Tribes use funds from the Native American Housing and Self Determination Act of 1996 (NAHASDA) funds to meet the cost match for the Formula Grant program award?**

    There is no prohibition in NAHASDA against using grant funds as matching funds. Indian Tribes that wish to use NAHASDA funds should include a statement acknowledging that their use of the cost match is consistent with the use of said funds.

13. **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/disbursed 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.

14. **Each State and Indian Tribe is required to match 15% of the amount of each grant provided to the State or Indian Tribe under the Program. So, is the 15% match based on the total grant amount, 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.

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

    The 15% cost match applies to the **entire** federal allocation to the State. For example, DOE awards a State a $100,000 grant, the State matches 15% ($15,000) of that amount.

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

    IIJA 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. Up to 5% of the federal funds could be used for TA and administrative expenses combined. For example, DOE awards a State a $100,000 grant, the State can use up to $5,000 of that amount for TA and administrative expenses. In addition, the State 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.

17. **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.

18. **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.

19. **The ALRD indicates that cybersecurity resilience measures are not allowed under Section 40101(d). Why and does this apply to cost match?**

DOE realizes the importance of cybersecurity and wants to ensure that investments made through the Formula Grant program 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, IIJA 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.

20. **If a utility begins a resilience project (such as Advanced Metering Infrastructure (AMI) upgrades for the purpose of resilience), and the project begins implementation prior to being selected as a sub-awardee OR prior to receiving any Formula Grant funds, would that AMI project still be eligible through our State's anticipated program if "construction" began already? Furthermore, could the utility spend some of its 1/3 cost match on the project prior to receiving notification as a sub-awardee?**

    While the ALRD does allow pre-award costs for technical assistance and administrative activities (see the FAQ response above and refer to ALRD Section IV.F – Pre-Award Costs), pre-award costs (using Federal grant funds or cost match) for resilience projects are most likely unallowable under the State's Formula Grant program grant agreement. Resilience projects paid for by Federal grant funds and associated cost match must adhere to the Terms and Conditions contained in the DOE Grant Agreement with the State or Indian Tribe. These Terms and Conditions must flow down to subrecipients. In addition, costs incurred for resilience projects prior to the selection and/or receiving notification of the subawardee must also adhere to the State's rules and regulations.

IX. Investment Tax Credits:

1. **May tax credits/investment tax credits (ITCs) be used as cost share on DOE awards?**
    See DOE Office of Infrastructure Commercialization and Financing Memo at https://www.energy.gov/sites/default/files/2024-05/Office%20of%20Infrastructure%20Commercialization%20and%20Financing%20Memo%20052324.pdf

    Specifically, "While project sponsors may generally use the reduction in tax liability provided by tax credits as a means to fulfill their cost share obligations, it remains important for programs to consider all sources of project funding and revenue including tax credits, when determining the appropriate federal cost share, consistent with any cost-sharing legal obligations."

    However, per 2 CFR 200.306 Cost sharing or matching, cost share must be verifiable. Further, all project costs under the award (funded by both the DOE share and cost share) must be necessary, reasonable, allocable, and incurred during the approved budget period.

2. **May a recipient or subrecipient sell project equipment during the award period of performance/prior to disposition, for tax credit/ITC purposes?**

See 2 CFR 200.313 Equipment and 2 CFR 910.360 Real property and equipment (applicable to for-profits). Title to equipment acquired under a Federal award will vest upon acquisition in the non-Federal entity (defined to include recipients and subrecipients but not contractors or third parties). Unless a statute specifically authorizes the Federal agency to vest title in the non-Federal entity without further responsibility to the Federal Government, and the Federal agency elects to do so, the title must be a conditional title. With conditional title, the Federal government has an interest in the equipment. Further, recipient/subrecipient must use the equipment for authorized project purposes during the period of performance, or until the property is no longer needed for project purposes, recipient/subrecipient cannot encumber the property without prior approval of the Federal awarding agency or pass-through entity, and recipient/subrecipient must use and dispose of the property in accordance with 2 CFR Part 200 and 910 (if applicable) equipment regulations.
While recipients and subrecipients (not including contractors or third parties) may hold conditional title to project equipment during the award period of performance/prior to disposition, there are certain restrictions surrounding the sale/transfer of the equipment during that time. These situations are highly fact- and project-specific, thus recipients should contact their DOE Contracting Officer and/or DOE Project Officer prior to any planned sale or transfer of project equipment for guidance or any required prior approvals.

3. **Will the recent updates to 2 CFR 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) impact our grant agreements?**

   There are updates to 2 CFR 200 that will impact the grant agreements under this program. You will receive separate guidance from NETL Procurement Officials on these changes, and the applicable changes will be reflected in the Terms and Conditions of your grant agreement in a future amendment.

X. Definitions:

Allocation	IIJA Section 40101(d) prescribes a formula to allocate funds to States and Indian Tribes. The formula includes five factors based on population, land area, probability of disruptive events, economic impact of past disruptive events, and amount of expenditures spent to mitigate likelihood and consequence of disruptive events. The resulting allocations are the amount a State or Indian Tribe may receive during each of the five years of grant funding. Annual allocation amounts will be determined each year based on available IIJA Section 40101(d) funding and annual updates to the data relating to the five factors.
ALRD	An Administrative and Legal Requirements Document (ALRD) is the instrument the government uses to announce and describe a financial assistance opportunity, such as a formula grant. It is similar to a Notice of Funding Opportunity (NOFO), except that an ALRD is typically used for a non-competitive grant program whereas a NOFO is typically used for a competitive financial assistance opportunity. The ALRD provides the administrative and legal requirements of the formula grant program and instructs eligible applicants on the process and documents needed to apply for the grant.

Applicant An Applicant is a State, U.S. Territory, District of Columbia, or Indian Tribe, including Alaska Native Village Corporations and Alaska Native Regional Corporations (normally referred to as "State and Indian Tribes" for the purpose of Infrastructure Investment and Jobs Act (IIJA) Section 40101(d)) eligible to receive a formula grant under Section 40101(d) of the IIJA.

Application There are two definitions for an application, depending on the stage of the award process:

Grant Application States and Indian Tribes must submit a grant application to the U.S. Department of Energy to receive a formula grant under IIJA Section 40101(d). Section 40101(d) requires that applications include a plan (referred to as the Program Narrative) that describes the criteria and methods that will be used by the State or Indian Tribe to award grants to eligible entities; be adopted after notice and a public hearing; and describe the proposed funding distributions and recipients of the grants to be provided by the State or Indian Tribe. In addition to the Program Narrative, the ALRD Sections IV.A and IV.B require additional information and documents needed to apply for and receive a grant.

Allocation Application States and Indian Tribes must submit an annual allocation application to request and receive their annual funding allocations (this is after receipt of their initial award).

The Grant Agreement will contain instructions on the requirements and process for annual allocation application submittals. Annual allocations will be obligated to the same grant agreement each year, thereby increasing the grant amount with each annual allocation.

Cost Match Cost Match under IIJA Section 40101(d) is the amount of non-Federal funding a State or Indian Tribe must provide to match the amount of Federal funds awarded under a Section 40101(d) formula grant. Under the Section 40101(d) each State and Indian Tribe is required to match 15 percent of the amount provided to it under the program.

Further, an Eligible Entity that receives a subaward under this program is required to match 100 percent of the amount of the subaward as required by Section 40101(h)(1). However, if the Eligible Entity sells not more than 4,000,000 megawatt hours of electricity per year (i.e., is a Small Utility), the required match will be one-third of the amount of the subaward as required by Section 40101(h)(2).

Eligible Entity States and Indian Tribes may use IIJA Section 40101(d) formula grant funds to issue subawards to Eligible Entities for the purpose of implementing eligible resilience measures that achieve the objectives of Section 40101(d). An Eligible Entity is defined by Section 40101(d) as:

a) an electric grid operator;

b) an electricity storage operator;
c) an electricity generator;
d) a transmission owner or operator;
e) a distribution provider;
f) a fuel supplier; and
g) any other relevant entity, as determined by the Secretary (of the U.S. Department of Energy).

Formula Grant A formula grant is a type of financial assistance award in which the government awards grants to eligible applicants, with the grant amount being based on a prescribed formula. IIJA Section 40101(d) prescribes a formula to allocate Section 40101(d) funds to States and Indian Tribes. The formula includes five factors based on population, land area, probability of disruptive events, economic impact of past disruptive events, and amount of expenditures spent to mitigate likelihood and consequence of disruptive events.

GDO The Grid Deployment Office (GDO) was the programmatic office within the U.S. Department of Energy responsible for implementing the IIJA Section 40101(d) and other IIJA grid resilience programs. GDO's programs have been acquisitioned by the Office of Electricity (OE).

Grant Agreement A grant agreement is the contractual financial assistance instrument in which a State or Indian Tribe and the Department of Energy enter into for the purpose of the Department of Energy making available funds to the applicant to achieve grant objectives. The grant agreement contains the Terms and Conditions the State or Indian Tribe must adhere to when utilizing grant funds. The U.S. Department of Energy will award Section 40101(d) grant agreements with an initial Period of Performance of five years.

NETL The National Energy Technology Laboratory (NETL) is administering the IIJA Section 40101(d) and other IIJA grid resilience programs on behalf of the U.S. Department of Energy Office of Electricity (OE) and will provide administrative and technical oversight over the formula grants. NETL will assign Federal Project Officers, Award Administrators, and Contracting Officers to negotiate, award, monitor and administer the IIJA Section 40101(d) formula grants to States and Indian Tribes. Information about NETL is available here: https://netl.doe.gov.

New Generation IIJA Section 40101 prohibits a grant awarded to an Eligible Entity under the program being used for construction of a new electric generating facility. In this context, new generation is defined as construction of a facility that produces electricity, including solar generation or any other electric generation unit or facility.

OE The Office of Electricity (OE) is the programmatic office within the U.S. Department of Energy responsible for implementing the IIJA Section 40101(d) and other IIJA grid resilience programs. Information about OE is available here: Office of Electricity | Department of Energy

Power Line	The term "power line" includes a transmission line or a distribution line, as applicable. Distribution power lines are considered to be below 69kV.
Program Narrative	The Program Narrative is a critical part of the grant application. Section 40101(d) requires that applications include a plan (referred to as the Program Narrative) that describes the criteria and methods that will be used by the State or Indian Tribe to award grants to eligible entities; be adopted after notice and a public hearing; and describes the proposed funding distributions and recipients of the grants to be provided by the State or Indian Tribe. The ALRD provides additional requirements for the Program Narrative, which include: • Objective and metrics • Criteria • Methods • Funding distribution • Equity Approach • Technical assistance and administration • Public notice and hearing
Section 40101(d)	Section 40101(d) of the Infrastructure Investment and Jobs Act (IIJA) authorizes the U.S. Department of Energy to award formula grants to States and Indian Tribes to improve the resilience of their electric grids.
Small Utility	As defined in IIJA Section 40101(h)(2) for the purpose of this grant program, a Small Utility sells not more than 4,000,000 megawatt hours of electricity per year.
Tribal Consortium	Two or more Indian Tribes (as defined in Section 40001(2)) that have designated a single Indian Tribe to act on their behalf as lead Indian Tribe of the Tribal Consortium.
Weatherization	Technologies or equipment that can be used to enhance reliability and resiliency of electric grid components in preparation for severe weather conditions.