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3	TITLE I-GRID INFRASTRUC-
4	TURE AND RESILIENCY
5	Subtitle A—Grid Infrastructure
6	Resilience and Reliability
7	SEC. 40101. PREVENTING OUTAGES AND ENHANCING THE
8	RESILIENCE OF THE ELECTRIC GRID.
9	(a) DEFINITIONS.—In this section:
10	(1) DISRUPTIVE EVENT.—The term "disruptive
11	event" means an event in which operations of the elec-
12	tric grid are disrupted, preventively shut off, or can-
13	not operate safely due to extreme weather, wildfire, or
14	a natural disaster.
15	(2) ELIGIBLE ENTITY.—The term "eligible enti-
16	ty" means—
17	(A) an electric grid operator;
18	(B) an electricity storage operator;
19	(C) an electricity generator;
20	(D) a transmission owner or operator;
21	(E) a distribution provider;
22	(F) a fuel supplier; and
23	(G) any other relevant entity, as determined
24	by the Secretary.

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1	(3) NATURAL DISASTER.—The term "natural
2	disaster" has the meaning given the term in section
3	602(a) of the Robert T. Stafford Disaster Relief and
4	Emergency Assistance Act (42 U.S.C. 5195a(a)).
5	(4) Power LINE.—The term "power line" in-
6	cludes a transmission line or a distribution line, as
7	applicable.
8	(5) PROGRAM.—The term "program" means the
9	program established under subsection (b).
10	(b) ESTABLISHMENT OF PROGRAM.—Not later than
11	180 days after the date of enactment of this Act, the Sec-
12	retary shall establish a program under which the Secretary
13	shall make grants to eligible entities, States, and Indian
14	Tribes in accordance with this section.
15	(c) Grants to Eligible Entities.—
16	(1) In GENERAL.—The Secretary may make a
17	grant under the program to an eligible entity to carry
18	out activities that—
19	(A) are supplemental to existing hardening
20	efforts of the eligible entity planned for any
21	given year; and
22	(B)(i) reduce the risk of any power lines
23	owned or operated by the eligible entity causing
24	a wildfire; or

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1	(ii) increase the ability of the eligible entity
2	to reduce the likelihood and consequences of dis-
3	ruptive events.
4	(2) Application.—
5	(A) IN GENERAL.—An eligible entity desir-
6	ing a grant under the program shall submit to
7	the Secretary an application at such time, in
8	such manner, and containing such information
9	as the Secretary may require.
10	(B) REQUIREMENT.—As a condition of re-
11	ceiving a grant under the program, an eligible
12	entity shall submit to the Secretary, as part of
13	the application of the eligible entity submitted
14	under subparagraph (A), a report detailing past,
15	current, and future efforts by the eligible entity
16	to reduce the likelihood and consequences of dis-
17	ruptive events.
18	(3) LIMITATION.—The Secretary may not award
19	a grant to an eligible entity in an amount that is
20	greater than the total amount that the eligible entity
21	has spent in the previous 3 years on efforts to reduce
22	the likelihood and consequences of disruptive events.
23	(4) PRIORITY.—In making grants to eligible en-
24	tities under the program, the Secretary shall give pri-
25	ority to projects that, in the determination of the Sec-

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1	retary, will generate the greatest community benefit
2	(whether rural or urban) in reducing the likelihood
3	and consequences of disruptive events.
4	(5) SMALL UTILITIES SET ASIDE.—The Secretary
5	shall ensure that not less than 30 percent of the
6	amounts made available to eligible entities under the
7	program are made available to eligible entities that
8	sell not more than 4,000,000 megawatt hours of elec-
9	tricity per year.
10	(d) Grants to States and Indian Tribes.—
11	(1) IN GENERAL.—The Secretary, in accordance
12	with this subsection, may make grants under the pro-
13	gram to States and Indian Tribes, which each State
14	or Indian Tribe may use to award grants to eligible
15	entities.
16	(2) ANNUAL APPLICATION.—
17	(A) IN GENERAL.—For each fiscal year, to
18	be eligible to receive a grant under this sub-
19	section, a State or Indian Tribe shall submit to
20	the Secretary an application that includes a
21	plan described in subparagraph (B).
22	(B) PLAN REQUIRED.—A plan prepared by
23	a State or Indian Tribe for purposes of an ap-
24	plication described in subparagraph (A) shall—

1	(i) describe the criteria and methods
2	that will be used by the State or Indian
3	Tribe to award grants to eligible entities;
4	(ii) be adopted after notice and a pub-
5	lic hearing; and
6	(iii) describe the proposed funding dis-
7	tributions and recipients of the grants to be
8	provided by the State or Indian Tribe.
9	(3) DISTRIBUTION OF FUNDS.—
10	(A) IN GENERAL.—The Secretary shall pro-
11	vide grants to States and Indian Tribes under
12	this subsection based on a formula determined by
13	the Secretary, in accordance with subparagraph
14	<i>(B).</i>
15	(В) Requirement.—The formula referred
16	to in subparagraph (A) shall be based on the fol-
17	lowing factors:
18	(i) The total population of the State or
19	Indian Tribe.
20	(ii)(I) The total area of the State or
21	the land of the Indian Tribe; or
22	(II) the areas in the State or on the
23	land of the Indian Tribe with a low ratio
24	of electricity customers per mileage of power
25	lines.

1	(iii) The probability of disruptive
2	events in the State or on the land of the In-
3	dian Tribe during the previous 10 years, as
4	determined based on the number of federally
5	declared disasters or emergencies in the
6	State or on the land of the Indian Tribe, as
7	applicable, including—
8	(I) disasters for which Fire Man-
9	agement Assistance Grants are pro-
10	vided under section 420 of the Robert
11	T. Stafford Disaster Relief and Emer-
12	gency Assistance Act (42 U.S.C. 5187);
13	(II) major disasters declared by
14	the President under section 401 of that
15	Act (42 U.S.C. 5170);
16	(III) emergencies declared by the
17	President under section 501 of that Act
18	(42 U.S.C. 5191); and
19	(IV) any other federally declared
20	disaster or emergency in the State or
21	on the land of the Indian Tribe.
22	(iv) The number and severity, meas-
23	ured by population and economic impacts,
24	of disruptive events experienced by the State

or Indian Tribe on or after January 1, 2011.

3	(v) The total amount, on a per capita
4	basis, of public and private expenditures
5	during the previous 10 years to carry out
6	mitigation efforts to reduce the likelihood
7	and consequences of disruptive events in the
8	State or on the land of the Indian Tribe,
9	with States or Indian Tribes with higher
10	per capita expenditures receiving additional
11	weight or consideration as compared to
12	States or Indian Tribes with lower per cap-
13	ita expenditures.
14	(C) ANNUAL UPDATE OF DATA USED IN DIS-
15	TRIBUTION OF FUNDS.—Beginning 1 year after
16	the date of enactment of this Act, the Secretary
17	shall annually update—
18	(i) all data relating to the factors de-
19	scribed in subparagraph (B); and
20	(ii) all other data used in distributing
21	grants to States and Indian Tribes under
22	this subsection.
23	(4) OVERSIGHT.—The Secretary shall ensure
24	that each grant provided to a State or Indian Tribe
25	under the program is allocated, pursuant to the ap-

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plicable plan of the State or Indian Tribe, to eligible
 entities for projects within the State or on the land
 of the Indian Tribe.

4 (5) PRIORITY.—In making grants to eligible en-5 tities using funds made available to the applicable State or Indian Tribe under the program, the State 6 or Indian Tribe shall give priority to projects that, in 7 the determination of the State or Indian Tribe, will 8 9 generate the greatest community benefit (whether 10 rural or urban) in reducing the likelihood and con-11 sequences of disruptive events.

12 (6) Small utilities set aside.—A State or 13 Indian Tribe receiving a grant under the program 14 shall ensure that, of the amounts made available to el-15 igible entities from funds made available to the State 16 or Indian Tribe under the program, the percentage 17 made available to eligible entities that sell not more 18 than 4,000,000 megawatt hours of electricity per year 19 is not less than the percentage of all customers in the 20 State or Indian Tribe that are served by those eligible 21 entities.

(7) TECHNICAL ASSISTANCE AND ADMINISTRATIVE EXPENSES.—Of the amounts made available to
a State or Indian Tribe under the program each fis-

1	cal year, the State or Indian Tribe may use not more
2	than 5 percent for—
3	(A) providing technical assistance under
4	subsection (g)(1)(A); and
5	(B) administrative expenses associated with
6	the program.
7	(8) MATCHING REQUIREMENT.—Each State and
8	Indian Tribe shall be required to match 15 percent of
9	the amount of each grant provided to the State or In-
10	dian Tribe under the program.
11	(e) Use of Grants.—
12	(1) IN GENERAL.—A grant awarded to an eligi-
13	ble entity under the program may be used for activi-
14	ties, technologies, equipment, and hardening measures
15	to reduce the likelihood and consequences of disruptive
16	events, including—
17	(A) weatherization technologies and equip-
18	ment;
19	(B) fire-resistant technologies and fire pre-
20	vention systems;
21	(C) monitoring and control technologies;
22	(D) the undergrounding of electrical equip-
23	ment;
24	(E) utility pole management;

1	(F) the relocation of power lines or the
2	reconductoring of power lines with low-sag, ad-
3	vanced conductors;
4	(G) vegetation and fuel-load management;
5	(H) the use or construction of distributed
6	energy resources for enhancing system adaptive
7	capacity during disruptive events, including—
8	(i) microgrids; and
9	(ii) battery-storage subcomponents;
10	(I) adaptive protection technologies;
11	(J) advanced modeling technologies;
12	(K) hardening of power lines, facilities, sub-
13	stations, of other systems; and
14	(L) the replacement of old overhead conduc-
15	tors and underground cables.
16	(2) Prohibitions and limitations.—
17	(A) In GENERAL.—A grant awarded to an
18	eligible entity under the program may not be
19	used for—
20	(i) construction of a new—
21	(I) electric generating facility; or
22	(II) large-scale battery-storage fa-
23	cility that is not used for enhancing
24	system adaptive capacity during dis-
25	ruptive events; or

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1	(ii) cybersecurity.
2	(B) Certain investments eligible for
3	RECOVERY.—
4	(i) In GENERAL.—An eligible entity
5	may not seek cost recovery for the portion
6	of the cost of any system, technology, or
7	equipment that is funded through a grant
8	awarded under the program.
9	(ii) SAVINGS PROVISION.—Nothing in
10	this subparagraph prohibits an eligible enti-
11	ty from recovering through traditional or
12	incentive-based ratemaking any portion of
13	an investment in a system, technology, or
14	equipment that is not funded by a grant
15	awarded under the program.
16	(C) APPLICATION LIMITATIONS.—An eligible
17	entity may not submit an application for a
18	grant provided by the Secretary under subsection
19	(c) and a grant provided by a State or Indian
20	Tribe pursuant to subsection (d) during the same
21	application cycle.
22	(f) DISTRIBUTION OF FUNDING.—Of the amounts
23	made available to carry out the program for a fiscal year

23 made available to carry out the program for a fiscal year,

24 the Secretary shall ensure that—

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(1) 50 percent is used to award grants to eligible
entities under subsection (c); and
(2) 50 percent is used to make grants to States
and Indian Tribes under subsection (d).
(g) Technical and Other Assistance.—
(1) IN GENERAL.—The Secretary, States, and In-
dian Tribes may—
(A) provide technical assistance and facili-
tate the distribution and sharing of information
to reduce the likelihood and consequences of dis-
ruptive events; and
(B) promulgate consumer-facing informa-
tion and resources to inform the public of best
practices and resources relating to reducing the
likelihood and consequences of disruptive events.
(2) Use of funds by the secretary.—Of the
amounts made available to the Secretary to carry out
the program each fiscal year, the Secretary may use
not more than 5 percent for—
(A) providing technical assistance under
paragraph (1)(A); and
(B) administrative expenses associated with
the program.
(h) Matching Requirement.—

(1) IN GENERAL.—Except as provided in para-
graph (2), an eligible entity that receives a grant
under this section shall be required to match 100 per-
cent of the amount of the grant.
(2) Exception for small utilities.—An eli-
gible entity that sells not more than 4,000,000 mega-
watt hours of electricity per year shall be required to
match ¼ of the amount of the grant.
(i) Biennial Report to Congress.—
(1) IN GENERAL.—Not later than 2 years after
the date of enactment of this Act, and every 2 years
thereafter through 2026, the Secretary shall submit to
the Committee on Energy and Natural Resources of
the Senate and the Committee on Energy and Com-
merce of the House of Representatives a report de-
scribing the program.
(2) REQUIREMENTS.—The report under para-
graph (1) shall include information and data on—
(A) the costs of the projects for which grants
are awarded to eligible entities;
(B) the types of activities, technologies,
equipment, and hardening measures funded by
those grants; and

(C) the extent to which the ability of the
 power grid to withstand disruptive events has
 increased.

4 *(j)* AUTHORIZATION OF APPROPRIATIONS.—There is 5 authorized to be appropriated to the Secretary to carry out 6 the program \$5,000,000,000 for the period of fiscal years 7 2022 through 2026.

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4	SEC. 40103. ELECTRIC GRID RELIABILITY AND RESILIENCE
5	RESEARCH, DEVELOPMENT, AND DEM-
6	ONSTRATION.
7	(a) Definition of Federal Financial Assist-
8	ANCE.—In this section, the term "Federal financial assist-
9	ance" has the meaning given the term in section 200.1 of
10	title 2, Code of Federal Regulations.
11	(b) Energy Infrastructure Federal Financial
12	Assistance Program.—
13	(1) DEFINITIONS.—In this subsection:
14	(A) ELIGIBLE ENTITY.—The term "eligible
15	entity" means each of—
16	(i) a State;
17	(ii) a combination of 2 or more States;
18	(iii) an Indian Tribe;
19	(iv) a unit of local government; and
20	(v) a public utility commission.
21	(B) Program.—The term "program"
22	means the competitive Federal financial assist-
23	ance program established under paragraph (2).
24	(2) ESTABLISHMENT.—Not later than 180 days
25	after the date of enactment of this Act, the Secretary

1	shall establish a program, to be known as the "Pro-
2	gram Upgrading Our Electric Grid and Ensuring
3	Reliability and Resiliency", to provide, on a competi-
4	tive basis, Federal financial assistance to eligible enti-
5	ties to carry out the purpose described in paragraph
6	(3).
7	(3) PURPOSE.—The purpose of the program is to
8	coordinate and collaborate with electric sector owners
9	and operators—
10	(A) to demonstrate innovative approaches to
11	transmission, storage, and distribution infra-
12	structure to harden and enhance resilience and
13	reliability; and
14	(B) to demonstrate new approaches to en-
15	hance regional grid resilience, implemented
16	through States by public and rural electric coop-
17	erative entities on a cost-shared basis.
18	(4) Applications.—To be eligible to receive
19	Federal financial assistance under the program, an
20	eligible entity shall submit to the Secretary an appli-
21	cation at such time, in such manner, and containing
22	such information as the Secretary may require, in-
23	cluding a description of—
24	(A) how the Federal financial assistance
25	would be used;

1	(B) the expected beneficiaries, and
2	(C) in the case of a proposal from an eligi-
3	ble entity described in paragraph (1)(A)(ii), how
4	the proposal would improve regional energy in-
5	frastructure.
6	(5) SELECTION.—The Secretary shall select eligi-
7	ble entities to receive Federal financial assistance
8	under the program on a competitive basis.
9	(6) Cost share.—Section 988 of the Energy
10	Policy Act of 2005 (42 U.S.C. 16352) shall apply to
11	Federal financial assistance provided under the pro-
12	gram.
13	(7) AUTHORIZATION OF APPROPRIATIONS.—
14	There is authorized to be appropriated to the Sec-
15	retary to carry out this subsection, \$5,000,000,000 for
16	the period of fiscal years 2022 through 2026.
17	(c) Energy Improvement in Rural or Remote
18	Areas.—
19	(1) DEFINITION OF RURAL OR REMOTE AREA.—
20	In this subsection, the term "rural or remote area"
21	means a city, town, or unincorporated area that has
22	a population of not more than 10,000 inhabitants.
23	(2) REQUIRED ACTIVITIES.—The Secretary shall
24	carry out activities to improve in rural or remote
25	areas of the United States—

1	(A) the resilience, safety, reliability, and
2	availability of energy; and
3	(B) environmental protection from adverse
4	impacts of energy generation.
5	(3) Federal financial assistance.—The Sec-
6	retary, in consultation with the Secretary of the Inte-
7	rior, may provide Federal financial assistance to
8	rural or remote areas for the purpose of—
9	(A) overall cost-effectiveness of energy gen-
10	eration, transmission, or distribution systems;
11	(B) siting or upgrading transmission and
12	distribution lines;
13	(C) reducing greenhouse gas emissions from
14	energy generation by rural or remote areas;
15	(D) providing or modernizing electric gen-
16	eration facilities;
17	(E) developing microgrids; and
18	(F) increasing energy efficiency.
19	(4) AUTHORIZATION OF APPROPRIATIONS.—
20	There is authorized to be appropriated to the Sec-
21	retary to carry out this subsection, \$1,000,000,000 for
22	the period of fiscal years 2022 through 2026.
23	(d) Energy Infrastructure Resilience Frame-
24	WORK.—

1	(1) IN GENERAL.—The Secretary, in collabora-
2	tion with the Secretary of Homeland Security, the
3	Federal Energy Regulatory Commission, the North
4	American Electric Reliability Corporation, and inter-
5	ested energy infrastructure stakeholders, shall develop
6	common analytical frameworks, tools, metrics, and
7	data to assess the resilience, reliability, safety, and se-
8	curity of energy infrastructure in the United States,
9	including by developing and storing an inventory of
10	easily transported high-voltage recovery transformers
11	and other required equipment.
12	(2) Assessment and report.—
13	(A) Assessment.—The Secretary shall
14	carry out an assessment of—
15	(i) with respect to the inventory of
16	high-voltage recovery transformers, new
17	transformers, and other equipment proposed
18	to be developed and stored under paragraph
19	(1)—
20	(I) the policies, technical speci-
21	fications, and logistical and program
22	structures necessary to mitigate the
23	risks associated with the loss of high-
24	voltage recovery transformers;

1	(II) the technical specifications
2	for high-voltage recovery transformers;
3	(III) where inventory of high-volt-
4	age recovery transformers should be
5	stored;
6	(IV) the quantity of high-voltage
7	recovery transformers necessary for the
8	inventory;
9	(V) how the stored inventory of
10	high-voltage recovery transformers
11	would be secured and maintained;
12	(VI) how the high-voltage recovery
13	transformers may be transported;
14	(VII) opportunities for developing
15	new flexible advanced transformer de-
16	signs; and
17	(VIII) whether new Federal regu-
18	lations or cost-sharing requirements
19	are necessary to carry out the storage
20	of high-voltage recovery transformers;
21	and
22	(ii) any efforts carried out by industry
23	as of the date of the assessment—
24	(I) to share transformers and
25	equipment;

1	(II) to develop plans for next gen-
2	eration transformers; and
3	(III) to plan for surge and long-
4	term manufacturing of, and long-term
5	standardization of, transformer de-
6	signs.
7	(B) PROTECTION OF INFORMATION.—Infor-
8	mation that is provided to, generated by, or col-
9	lected by the Secretary under subparagraph (A)
10	shall be considered to be critical electric infra-
11	structure information under section 215A of the
12	Federal Power Act (16 U.S.C. 8240–1).
13	(C) REPORT.—Not later than 180 days
14	after the date of enactment of this Act, the Sec-
15	retary shall submit to Congress a report describ-
16	ing the results of the assessment carried out
17	under subparagraph (A).

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7	SEC. 40107. DEPLOYMENT OF TECHNOLOGIES TO ENHANCE
8	GRID FLEXIBILITY.
9	(a) In General.—Section 1306 of the Energy Inde-
10	pendence and Security Act of 2007 (42 U.S.C. 17386) is
11	amended—
12	(1) in subsection (b)—
13	(A) in the matter preceding paragraph (1),
14	by striking "the date of enactment of this Act"
15	and inserting "the date of enactment of the In-
16	frastructure Investment and Jobs Act";
17	(B) by redesignating paragraph (9) as
18	paragraph (14); and
19	(C) by inserting after paragraph (8) the fol-
20	lowing:
21	"(9) In the case of data analytics that enable
22	software to engage in Smart Grid functions, the docu-
23	mented purchase costs of the data analytics.
24	"(10) In the case of buildings, the documented
25	expenses for devices and software, including for in-

stallation, that allow buildings to engage in demand
 flexibility or Smart Grid functions.
 "(11) In the case of utility communications,
 operational fiber and wireless broadband communica-

5 tions networks to enable data flow between distribu-6 tion system components.

7 "(12) In the case of advanced transmission technologies such as dynamic line rating, flow control de-8 9 vices, advanced conductors, network topology optimi-10 zation, or other hardware, software, and associated 11 protocols applied to existing transmission facilities 12 that increase the operational transfer capacity of a 13 transmission network, the documented expenditures to 14 purchase and install those advanced transmission 15 technologies.

"(13) In the case of extreme weather or natural
disasters, the ability to redirect or shut off power to
minimize blackouts and avoid further damage."; and
(2) in subsection (d)—

20(A) by redesignating paragraph (9) as21paragraph (16); and

22 (B) by inserting after paragraph (8) the fol23 lowing:

24 "(9) The ability to use data analytics and soft25 ware-as-service to provide flexibility by improving the

1	visibility of the electrical system to grid operators
2	that can help quickly rebalance the electrical system
3	with autonomous controls.
4	"(10) The ability to facilitate the aggregation or
5	integration of distributed energy resources to serve as
6	assets for the grid.
7	"(11) The ability to provide energy storage to
8	meet fluctuating electricity demand, provide voltage
9	support, and integrate intermittent generation
10	sources, including vehicle-to-grid technologies.
11	"(12) The ability of hardware, software, and as-
12	sociated protocols applied to existing transmission fa-
13	cilities to increase the operational transfer capacity of
14	a transmission network.
15	"(13) The ability to anticipate and mitigate im-
16	pacts of extreme weather or natural disasters on grid
17	resiliency.
18	"(14) The ability to facilitate the integration of
19	renewable energy resources, electric vehicle charging
20	infrastructure, and vehicle-to-grid technologies.
21	"(15) The ability to reliably meet increased de-
22	mand from electric vehicles and the electrification of
23	appliances and other sectors.".
24	(b) AUTHORIZATION OF APPROPRIATIONS.—There is
25	authorized to be appropriated to the Secretary to carry out

- 1 the Smart Grid Investment Matching Grant Program estab-
- 2 lished under section 1306(a) of the Energy Independence
- 3 and Security Act of 2007 (42 U.S.C. 17386(a))
- 4 \$3,000,000,000 for fiscal year 2022, to remain available
- 5 through September 30, 2026.