



Montana Energy Infrastructure Resilience Grant Program Request for Applications

April 2024



Table 1: Calendar of RFA Milestones

Activity	Estimated Date
Release of Energy Infrastructure Resilience Grant Program (EIRGP) Request for Applications (RFA)	Wednesday, 4/24/2024
Pre-conference public informational session. Entities planning to submit applications are required to attend in-person or participate remotely.	Week of 5/13/2024
Question and answer period ends. Opportunity to submit written questions to DEQ point of contact on RFA via electronic Montana Acquisition and Contracting System (eMACS) requisition page for this RFA	Friday, 5/24/2024
All questions and Answers Posted on eMACS requisition page for this RFA.	By 5/31/2024
Deadline for eligible entities to submit EIRGP applications via eMACS. No late applications will be accepted.	6/26/2024 at 2:00pm MDT
Agency review committee meets to review and score applications. Applicants may be asked to participate in a follow-up interview to answer questions from the review committee.	Week of 7/08/2024
Intent to award sent to successful applicants. The list of successful applicants will be posted to DEQ's website. List of successful applicants and projects submitted by DEQ to U.S. Department of Energy (DOE) for award approval.	7/26/2024
DOE reviews list of successful applicants and notifies DEQ of their approval.	By mid-September 2024 (tentative). DOE timeline for review outside of DEQ's control.
Contract development (DEQ and successful, approved applicants).	9/16/2024-10/18/2024 (tentative)
Final contracts with successful applicants signed and project work can begin.	10/30/2024

Unanticipated Program Changes

Information in this solicitation may be subject to change based on unforeseen changes to DEQ and U.S. Department of Energy (DOE) priorities. If changes become necessary, DEQ will post an addendum listing the changes to the EMACS requisition page for this RFA.

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1.0 Program Overview and Purpose

The Montana Energy Office at the Montana Department of Environmental Quality (DEQ) is issuing this Request for Applications (RFA) to fund eligible projects from eligible subawardees that will meet the objectives of the [Montana Energy Infrastructure Resilience Grant Program](#) (EIRGP). The EIRGP supports projects that improve reliability and resilience of Montana’s electric grid, reduce, and mitigate the impacts of electricity outages, and increase innovation and skilled energy workforce opportunities across the state’s electricity sector.

Funding for the EIRGP is established through the U.S. Department of Energy (DOE) Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grant Program, authorized in Section 40101(d) of the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL). Under this section of the IIJA, DOE provides grants to States to improve the resilience of their electric grid against disruptive events. A disruptive event is defined by DOE as “an event in which operations of the electric grid are disrupted, preventatively shut off, or cannot operate safely due to extreme wildfire, weather, or natural disaster.”

2.0 Program Objectives

DEQ’s objectives for the EIRGP are as follows:

- **Objective 1** - Improve the reliability and resilience of Montana’s electric transmission and distribution system by reducing vulnerability to disruptive events and natural hazards, including wildfire, wind events, flooding, and winter storms.
- **Objective 2**- Reduce the likelihood and consequence of outages affecting community facilities and critical infrastructure.
- **Objective 3**- Limit the potential for wildfire ignition from transmission and distribution equipment and reduce the scope and consequence of precautionary wildfire-related public safety power shutoffs.
- **Objective 4**- Increase skilled workforce within Montana by assuring that installed reliability and resilience measures can be operated and maintained by Montana-based businesses and laborers, where possible.

DEQ will use the program objectives and associated criteria and metrics described in this RFA and Attachment A Scoring Criteria to evaluate project applications and make award decisions.

3.0 Funding Availability

The total amount of funding available under this announcement is \$13,754,163. The minimum award amount under this opportunity is \$50,000, and the maximum award amount is

\$3,000,000. DEQ may limit the total number of awards per eligible applicant to ensure that funds are dispersed equitably across the state.

Section 40101(d)(6) of IIA requires that the percentage of funds available to eligible entities that sell not more than 4,000,000 megawatt hours (MWh) of electricity (“small utilities”) is not less than the percentage of all customers in the State that are served by those eligible entities. Based on 2021 Energy Information Administration data, 41 percent of Montana electric utility customers are served by “small utilities” that sell less than 4,000,000 megawatt-hours (MWh) of electricity.

DEQ set aside 41% (approximately \$5,639,207) of the \$13,754,163 total available, to prioritize funding under this opportunity for eligible small utilities. DEQ will first review and score applications from eligible small utilities. If funding requests for eligible applications from small utilities exceeds the amount of funding in the small utility set-aside, applications that have not been awarded funding from the small utility set-aside will be scored with applications from other eligible entities for the remaining balance of available funds (approximately \$8,117,956). If there are remaining funds from the small utility set-aside, DEQ will make these funds available to project applications from other eligible entities and successful projects will be awarded based on the scoring criteria (see Attachment A Scoring Criteria).

Funding will be provided per the Subaward Grant Agreement on a reimbursement basis. No advance disbursements will be allowed. Supporting documentation must be included with each invoice for payment and submitted on a quarterly basis while expenses are being incurred. During the project period, 80 percent of the total award will be disbursed through quarterly payments after invoices with supporting documentation have been received and approved by DEQ. Another 10 percent of the total award will be dispersed after the subawardee submits, and DEQ approves the Project Completion Report. The remaining 10 percent of the total award will be dispersed after the subawardee submits, and DEQ approves, the Project Results Report (see Section 10 Reporting Requirements).

Table 2: Percentage of Award Dispersed by Milestone

Project Milestone	Percentage of Award Dispersed
Project cost invoices submitted and approved by DEQ on a quarterly basis during the project period	80 percent
Project Completion Report submitted and approved by DEQ	10 percent
Project Results Report submitted and approved by DEQ	10 percent

4.0 Match Requirements

Non-federal cost match must be provided by subawardees. Allowable types of cost match are cash cost share and in-kind cost-share set forth in the Budget Justification. See Attachment B2 2024 Budget Justification. Applicants shall refer to [2 CFR 200.306](#) as amended by [2CFR 910.130](#) for additional cost-matching requirements. The required cost match is composed of two parts (Part A and Part B outlined below) and differs based on whether the eligible entity is considered a “small utility” and the total amount of the award. Match requirements for eligible entities are provided in [Section 40101\(d\)\(h\)](#) of IIJA. Applicants must provide a cost match commitment letter (Cost Match Commitment Letter Template is in Attachment E).

- **Cost Match, Part A**

Eligible entities that do not sell less than 4,000,000 MWh of electricity per year, are required to provide a non-federal cost match of at least 100 percent of the subaward value. Small utilities, which sell less than 4,000,000 MWh of electricity per year, are required to provide a non-federal cost match equal to at least 1/3 the subaward value.

- **Cost Match, Part B**

Section 40101(d)(8) of IIJA requires that States provide a 15 percent match of the federal award. Per DOE guidance, this 15 percent match may be covered by sub-awardees. Montana’s EIRGP requires that subawardees provide a 15.5% percent match, which covers the State match and the administrative costs to the state of issuing the subawards. In addition to the required Part A cost match, subawardees must provide additional non-federal cost match of at least 15.5% percent of the total award value.

Table 3: Hypothetical Subaward Match

	Small Utility	Other Eligible Entity
Subaward from DEQ	\$600,000	\$600,000
Part A Match: 1/3 of subaward for small utility or 100% of award for other eligible entity	\$200,000	\$600,000
Part B Match: 15.5% of subaward	\$93,000	\$93,000
Total Match: Part A+B	\$293,000	\$693,000
Total project and administrative costs	\$893,000	\$1,293,000

5.0 Applicant Eligibility

Eligible entities under this program are limited to electric grid operators, electricity storage operators, electricity generators, transmission owners or operators, distribution provider, fuel suppliers, or other relevant entities as determined by the Secretary of the U.S. DOE.

6.0 Project Eligibility

Eligible project measures are limited to the following:

- a) Weatherization technologies and equipment;
- b) Fire-resistant technologies and fire prevention systems;
- c) Monitoring and control technologies;
- d) Undergrounding of electrical equipment;
- e) Utility pole management;
- f) The relocation of power lines or the reconductoring of power lines with low-sag advanced conductors;
- g) Vegetation and fuel load management;
- h) The use or construction of distributed energy resources for enhancing system adaptive capacity during disruptive events, including:
 - a. microgrids; and
 - b. battery-storage subcomponents;
- i) Adaptive protection technologies;
- j) Advanced modeling technologies;
- k) Hardening of power lines, facilities, substation, and other systems; and
- l) The replacement of old overhead conductors and underground cables.

Training, recruitment, retention, and reskilling of properly credentialed workers are activities eligible for funding, provided that these activities are directly associated with the eligible projects listed above.

Each application must include a completed Environmental Questionnaire form in Attachment C for each project. Projects in multiple locations must complete a separate Environmental Questionnaire for each location. This form is required by U.S. Department of Energy to verify that projects comply with the National Environmental Policy Act (NEPA).

7.0 Ineligible Projects and Costs

The Montana EIRGP funding may **not** be used for the following costs:

- a) Construction of a new electric generating facility;
- b) Construction of a battery-storage facility that is not used for enhancing system capacity during disruptive events;
- c) Cybersecurity projects;

- d) Any projects located outside of the State of Montana;
- e) Projects involving demonstration of non-commercially available equipment and technologies;
- f) Lobbying activities; or
- g) Costs incurred prior to the execution of a Subaward Grant Agreement with DEQ.

An eligible entity is not allowed to submit the same application with the same scope for a grant under IIJA Section 40101(c)-Grid Resilience and Innovation Partnerships (GRIP) grant, and this Section 40101(d) Grants to States and Indian Tribes in the same application cycle. DOE considers a "grant" to have a specific scope (i.e., a unique project). 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. Projects funded with other federal funds, such as the GRIP funding, are ineligible, unless otherwise specified.

While grants under the EIRGP cannot fund new cybersecurity investments, the projects funded through this RFA shall align with cybersecurity standards and best practices, including the [North American Reliability Corporation Critical Infrastructure Protection \(NERC CIP\) standards](#) and the [National Institute of Technology \(NIST\) Cybersecurity Framework](#).

8.0 Project Review and Scoring

DEQ will conduct an initial review of the applications to ensure completeness and eligibility. DEQ will then refer eligible applications to a review committee. The review committee will evaluate projects based on evaluation criteria identified in Attachment A Scoring Criteria/Matrix.

9.0 Preliminary Application Selection

Applicants that score the highest will receive a notice of selection by DEQ to undergo additional review. DEQ is required to notify DOE prior to the execution of new or modified subawards and verify that subawards meet specific requirements. DEQ may not proceed with the subaward until DOE determines and provides DEQ written notification that the information provided is adequate. Projects selected will still not be able to begin work on their project until notice from DEQ and execution of a Subaward Grant Agreement.

10.0 Subaward Final Selection and Agreements

After DOE informs DEQ that its review has been completed and any corresponding federal compliance procedures have been fulfilled, DEQ will offer a Subaward Grant Agreement to each subawardee. The Subaward Grant Agreement will include DOE Special Terms and Conditions as part of the flow-down requirements from DEQ's assistance agreement with DOE. These flow down requirements must ultimately be incorporated into any agreements the subawardee uses to implement the EIRGP project. More information on the DOE Special Terms and Conditions

and flow down requirements for subawardees can be found in Appendix A- Administrative and Legal Requirements Document and Appendix B- Federal Requirements.

11.0 Reporting Requirements

DEQ is required to submit quarterly and annual reports to DOE, which must include reports on active and open subawards. Report date ranges will follow federal fiscal year which is October 1 through September 30 of the following year. Subawardees are required to submit quarterly and annual reports to DEQ with the required content. Failure to submit reports by the established deadlines may result in termination of the subaward agreement.

Each subawardee is required to submit regular reports to DEQ throughout the term of the award agreement and project period. These reports include Quarterly Progress Report, Quarterly Financial Reports, and Annual Metrics and Impact Report. The templates for these reports are included on the National Energy Technology’s (NETL) 40101(d) Formula Grant Application Post-Award website: <https://netl.doe.gov/bilhub/grid-resilience/formula-grants/post-award-documents>

Quarterly Progress Report

Each subawardee is required to submit a Quarterly Progress Report (QPR) using the QPR template required by DOE and available on the NETL website and included in the “Helpful Documents” section of DEQ’s [Grid Resiliency and Reliability Grants website](#). Subawardees are required to submit the QPR to DEQ within 10 days following the close of each quarter starting on the effective date of the Subaward Grant Agreement. Subawardees will be required to participate in a virtual meeting with DEQ staff after submittal of the QPR.

Quarterly Financial Report

Each subawardee is required to submit a Quarterly Financial Report (QFR) to DEQ and follow the template in (SF425). Subawardees are required to submit the QFR to DEQ within 10 days following the close of each quarter starting on the effective date of the Subaward Grant Agreement.

Table 4: Quarterly Report Timeframes

Federal Fiscal Year Quarter	Quarter Date Range	Report Due to DEQ	Quarterly meeting with DEQ
Quarter 1	October 1-December 31	January 10	By January 17
Quarter 2	January 1-March 31	April 10	By April 17
Quarter 3	April 1-June 30	July 10	By July 17
Quarter 4	July 1-September 30	October 10	By October 17

Annual Metrics and Impact Report

Each subawardee is required to submit an Annual Program Metrics and Impact Report (APR) using the template required by DOE available on the [NETL website](#) and include in the “Helpful Documents” section of [DEQ’s Grid Resiliency and Reliability Grants website](#). Subawardees are required to submit the APR to DEQ by October 10 of each year following the effective date of the Subaward Grant Agreement.

Project Completion Report

Each subawardee is required to submit a Project Completion Report to DEQ when construction is complete and operational and shall be submitted with the subawardees request for reimbursement for project costs. The Project Completion report shall include information from the QPR’s and QFR’s in addition to the following:

- a. Itemized project invoice or other proof of incurred expenses reasonably acceptable to DEQ;
- b. Before and as-built pictures;
- c. Photographs of all the equipment installed and/or improvements made, and final site location(s);
- d. Photocopies of all required permits obtained and associated inspections completed, including any permits not reported on in the Progress Report;
- e. Updated actual and quantitative metrics following completion as requested by DEQ. Quantitative metrics are project dependent; and,
- f. Completed subawardee reimbursement request form.

Project Results Report

The Project Results Report shall be submitted to DEQ one year after the Project Completion Report, and shall include the following:

- a. Narrative of the project from inception to completion;
- b. Updates on improvements and milestones achieved since completion of the project;
- c. Quantitative metrics that are outlined in the Subaward Grant Agreement on energy resiliency and reliability metrics of the project including but not limited to:
 - Project locations;
 - Measurable improvements of resiliency;
 - Transmission capacity upgraded, expanded, or built;
 - Electricity storage capacity installed;
 - Funding leveraged;
 - Stakeholders engaged;
 - Technical assistance provided;
 - Value of contracts or agreements with minority owned business for supplies, services, or equipment;
 - Disruptive events that occur that implicate the project;

- Improvements to distribution reliability indices including (Customer Average Interruption Duration Index (CAIDI), Customer Average Interruption Frequency Index (CAIFI), System Average Interruption Duration Index (SAIDI), and System Average Interruption Frequency Index (SAIFI); and,
- Updated and actual quantitative metrics following completion as requested by DEQ (this provision shall survive termination of the Subaward Grant Agreement).

12.0 Subaward Administrator

Within each application for the Montana Energy Infrastructure Resilience Grant Program (EIRGP), applicants must identify who will be responsible for ongoing reporting to DEQ, compliance with federal requirements and managing other administrative tasks for the subaward. Applicants can identify an existing staff or service provider or plan to procure these services if a subaward is made. If the applicant intends to procure for this service, procurement and contract execution must occur before other project expenses can be reimbursed. Applicants need to factor in time and duration of assistance needed from the subaward administrator over the duration of the project implementation and Subaward Grant Agreement with DEQ. The administrator role has following responsibilities, including but not limited to:

- Coordinate day-to-day activities associated with the subaward on behalf of the subawardee, and be primary point of contact with DEQ;
- Manage immediate post-award activities; confirm any NEPA/environmental review documentation is included, ensure the subaward has adopted the proper policies and required documents and establish recordkeeping procedures that will be monitored and maintained by the subawardee and administrator;
- Submit status updates, reimbursement claims, and other required documents to DEQ;
- Complete reimbursement requests to DEQ including collecting and submitting source documentation such as invoices, compliance certifications, and other information required by DEQ or DOE; and,
- Monitor project activities and integrate procedures to ensure compliance with all program requirements. This includes but isn't limited to, following procurement procedures, labor standards, Build America Buy America Act (BABA) and Davis Bacon Act Compliance.

13.0 Subaward Period

The period of performance for all subawards will be five years beginning when the Subaward Grant Agreement and contract are executed and ending after the Project Results Report is submitted. A year is defined as twelve months from the date the Subaward Grant Agreement is signed. All grant and matching funds must be used for the designated projects within these five years. All final required reporting must be completed and submitted within the quarter directly following the five program years.

14.0 Additional Resources

APPENDICES

- Appendix A- Administrative Requirements and Legal Requirements Document (ALRD)
- Appendix B- Federal Requirements

ATTACHMENTS

Attachments are available for download on DEQ's program website (<https://deq.mt.gov/energy/Programs/grid>) and the eMACS requisition page for this RFA.

- Attachment A- Scoring Criteria and Matrix
- Attachment B- Application Form
- Attachment B1 2024- Application Instructions
- Attachment B2 2024 Budget Justification
- Attachment C- Environmental Questionnaire
- Attachment D- Disclosure of Lobbying Activities Form (SF-LLL)
- Attachment E- Cost Match Commitment Letter
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