GRID RESILIENCE & RELIABILITY

40101(d) Formula Funding Public Hearing

September 19, 2022
Today’s Agenda

• About the Montana Energy Office
• Overview: Infrastructure Investment and Jobs Act
• Grid Resilience and Reliability State and Tribal Formula Funds
• Public Comment and Feedback
Montana Energy Office at DEQ

• Recognized by Department of Energy as the “State Energy Program”
• Financing and Technical Assistance
  • Alternative Energy
  • Energy & Resource Efficiency
  • Transportation
  • New: Transmission & Distribution
• Energy Planning
  • Utility Resource Plans
  • Emergencies (ESF-12)
• Other
  • Radon
  • Compliance Assistance
Infrastructure Investment and Jobs Act

• Over $60 Billion for DOE to Support:
  • Domestic Manufacturing & Workers
  • Energy Efficiency
  • Transportation
  • Technology Innovation
  • Transmission

• Montana Energy Office
  • State Energy Program
  • Energy Efficiency Revolving Loan/Grant
  • Energy Efficiency Block Grant
  • National Electronic Vehicle Infrastructure
  • Grid Resilience & Reliability
Transmission Provisions

• Preparing Outages and Enhancing the Resilience of the Electric Grid/Hazard Hardening
  • Section 40101: Grid Resilience Grants
  • $5 Billion

• Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency
  • Section 40103(b): Grid Resilience Research, Development and Demonstration
  • $5 Billion

• Deployment of Technologies to Enhance Grid Flexibility
  • Section 40107: Smart Grid Grants
  • $3 Billion
Grid Resilience Formula Grants—40101(d)

- “Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grants to States and Tribes”
- Address Current and Future All-Hazards Grid Resilience Needs
- $2.3 Billion Via Formula to States and Tribes (~$459 Million/yr FY22-26)
  - 15% Cost Match from State/Tribe
  - Max of 5% for Technical Assistance
- 5-Part Formula: 1) Population, 2) Area, 3-4) Probability & Severity of Disruptive Events, 5) Expenditures on Mitigation
- States/Tribes May Sub-Grant to “Eligible Entities”
Grid Resilience Formula Grants—Application

• Requirements for Application:
  • Criteria and Methods to Award Grants
  • Plan for Distribution of Funds
  • Evidence of Notice and Public Hearing

• DOE Encouraging:
  • Objectives-Led Process
  • Economic Development
  • Grid Modernization
  • Investments in Underserved Communities

• Timelines
  • July 6—Funding Announcement
  • January 2023—Year 2 Allocations Posted
  • March 31, 2023—Revised Deadline
Eligible Resilience Measures include:

- weatherization technologies and equipment;
- fire-resistant technologies and fire prevention systems;
- monitoring and control technologies;
- the undergrounding of electrical equipment;
- utility pole management;
- the relocation of power lines or the reconductoring of power lines with low-sag, advanced conductors;
- vegetation and fuel-load management;
- the use or construction of distributed energy resources for enhancing system
- adaptive capacity during disruptive events, including:
  - microgrids; and
  - battery-storage subcomponents;
- adaptive protection technologies;
- advanced modeling technologies;
- hardening of power lines, facilities, substations, of other systems; and
- the replacement of old overhead conductors and underground cables.
Eligible Entities

- an electric grid operator;
- an electricity storage operator;
- an electricity generator;
- a transmission owner or operator;
- a distribution provider;
- a fuel supplier; and
- any other relevant entity, as determined by the Secretary (of DOE).
Federal Requirements

- Regular Reports on Financials, Project Progression, and Metrics
- National Environmental Policy Act
- Build America Buy America Act
- Davis-Bacon Act (Prevailing Wage)
- Others
Cost Matching

- State required to provide 15% match
  - 15% state match may be secured from eligible entities receiving subawards
- Eligible entity >4,000,000 MWh sales: match 100% of subaward
- Eligible entity <4,000,000 MWh sales: match 1/3 of subaward
- Small Utility Set-Aside
  - A minimum amount of funds must be made available to small utilities, based on the percentage of customers served by small utilities
## Awards

<table>
<thead>
<tr>
<th>Entity</th>
<th>Award</th>
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<tbody>
<tr>
<td>State of Montana</td>
<td>$7,043,765</td>
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<tr>
<td>Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation, Montana</td>
<td>$177,348</td>
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<tr>
<td>Blackfeet Tribe of the Blackfeet Indian Reservation of Montana</td>
<td>$235,890</td>
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<tr>
<td>Chippewa Cree Indians of the Rocky Boy's Reservation, Montana</td>
<td>$69,856</td>
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<td>Confederated Salish and Kootenai Tribes of the Flathead Reservation</td>
<td>$359,908</td>
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<td>Crow Tribe of Montana</td>
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<td>Fort Belknap Indian Community of the Fort Belknap Reservation of Montana</td>
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<td>Little Shell Tribe of Chippewa Indians of Montana</td>
<td>$242,023</td>
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<tr>
<td>Northern Cheyenne Tribe of the Northern Cheyenne Indian Reservation, Montana</td>
<td>$362,670</td>
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Questions and Comments

• Questions on Program Requirements
• Initial Feedback

• Next Slides Will Cover Potential Approach and Objectives
• Opportunity for Input and Feedback in Writing
Year 1 Tentative Approach

• Award Grants for at least $6,691,577 to Eligible Entities (95% of the Allocation)

• Successful Applicants will Provide Additional Match to Meet 15% State Cost Share Requirement

• Issue Request for Proposals with Transparent Scoring Criteria

• Fund Projects Capable of Being Built in the Near Term with Clear Resilience or Reliability Impact

• Quantify and Monitor Impacts of Funded Projects
Information and Resources

• US Department of Energy:
  • 40101(d) Resources
  • Grid Resilience and Innovation Partnerships RFI (October 14 Deadline)

• Draft Program Narrative will be Published and at Least 1 Additional Public Hearing to be Held Prior to Application Submittal
Contact Information

Dan Lloyd
Energy Bureau Chief
(406) 444-6588
dan.lloyd@mt.gov