

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 Electric Vehicle Infrastructure
 - Grid Resilience & Reliability

Transmission Provisions

- Preventing 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

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

Entity	Award
State of Montana	\$7,043,765
Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation, Montana	\$177,348
Blackfeet Tribe of the Blackfeet Indian Reservation of Montana	\$235,890
Chippewa Cree Indians of the Rocky Boy's Reservation, Montana	\$69,856
Confederated Salish and Kootenai Tribes of the Flathead Reservation	\$359,908
Crow Tribe of Montana	\$429,082
Fort Belknap Indian Community of the Fort Belknap Reservation of Montana	\$86,510
Little Shell Tribe of Chippewa Indians of Montana	\$242,023
Northern Cheyenne Tribe of the Northern Cheyenne Indian Reservation, Montana	\$362,670

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

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