

The logo of the Indiana Office of Energy Development is a circular seal with a serrated edge. It features a central sunburst design. The words "INDIANA OFFICE OF ENERGY DEVELOPMENT" are written around the perimeter of the seal in a yellow, serif font. The seal is overlaid on a light blue background.

Indiana Grid Resilience Program

2023 Funding Opportunity

OCTOBER 24, 2023

Housekeeping

- Please ensure you are muted throughout the meeting. We will begin everyone in mute mode without cameras, but will open it up during the Q&A.
- Presentation will be about 45 minutes followed by a Q&A period.
- Feel free to submit questions during the presentation using the chat feature or use the raise your hand function.
- Materials will be posted to the OED website after this meeting.

About the Indiana Office of Energy Development (OED)

Mission: To support the development of affordable, stable, and reliable energy solutions for the benefit of all Hoosiers.

State of Indiana's federally-designated State Energy Office (SEO).

Priorities:

- Policy Guidance
- Grant Administration
- Public Education

Agenda

- Overview of Funding Opportunity
- Federal Program Overview
- State Plan
- Application Process/Timeline
- Questions & Answer



2023 Funding Overview

Indiana 2023 Funding Opportunity

- Opened October 10, 2023
- Purpose: Improve electric grid infrastructure to withstand and recover from potential disruptions
- Eligible entities: Defined by federal law, but generally electric utilities
- Deadline to submit: January 31, 2024
- Total funding available: \$9.6 million
- Awards: Up to \$2 million per project
- Match: 38% for small utilities; 105% for all others

www.in.gov/oed/grants-and-funding-opportunities/grid-resilience-program/



Federal Program Overview

Preventing Outages and Enhancing Resilience of the Electric Grid

- IIA Section 40101
- Purpose: to improve the all-hazards resilience of electric grids
- How:
 - Hardening of assets
 - Deployment of sophisticated capabilities, such as real-time control and coordination of assets, including DERs and microgrids to they may provide quick services under emergency situations
 - Tools for supporting modeling and analysis efforts that can assist in determining solutions that improve all-hazards resilience

Grid Resilience Grants: \$5 billion, 5 years (FFY22-26)

\$2.5 billion formula to States and Tribes – 40101(d)

- Subgrant to eligible entities
- Up to 5% can be used for state technical assistance and administrative expenses

\$2.5 billion direct to eligible entities - 40101(c)

- Electric grid operator, electricity storage operator, electricity generator, transmission owner or operator, distribution provider, fuel supplier, or “other entity determined by DOE Secretary”

An eligible entity may not submit an application for a grant provided by 40101(c) and a grant provided by 40101 (d) during the same application cycle.

Resilience Measures

- (A) weatherization technologies and equipment;
- (B) fire-resistant technologies and fire prevention systems;
- (C) monitoring and control technologies;
- (D) the 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 (i) microgrids; and (ii) battery-storage subcomponents;
- (I) adaptive protection technologies;
- (J) advanced modeling technologies;
- (K) hardening of power lines, facilities, substations, of other systems; and
- (L) the replacement of old overhead conductors and underground cables.

Other Considerations

Funding may also be used for the training, recruitment, retention, and reskilling of skilled and properly credentialed workers in order to perform the work required for the particular resilience measures listed and described by the state

Efforts should be in alignment with the state energy security plan

Limitations

- Grants cannot be used for cybersecurity, constructing a new electric generating facility, or constructing a large-scale battery storage facility that is not used for enhancing system adaptive capacity during disruptive events.
- Entities cannot seek cost recovery for the portion of the cost of any system, technology, or equipment that is funded through a grant awarded under the program.
- Entities are not prohibited from recovering through traditional or incentive-based ratemaking any portion of an investment in a system, technology, or equipment that is not funded through a grant awarded under the program.

Cost Recovery Limitation Example

\$1 million federal award ← Cost Recovery prohibited

\$1 million match ← Cost Recovery permitted

\$500,000 additional project costs + ← Cost Recovery permitted

\$2.5 million

Program Requirements

- Governor designates state applicant and administrator
- State plan that includes:
 1. A description of the criteria, methods, and intended outcomes benefiting the public that will be used by the State or Indian Tribe to award grants to eligible entities,
 2. Evidence of a notice and public hearing on the criteria and methods proposed by the State or Indian Tribe, and
 3. A description of the proposed funding distributions and recipients of the grants to be provided by the State or Indian Tribe.
- Priority to projects that generate the greatest community benefit in reducing the likelihood and consequences of disruptive events
- Funding set aside for small utilities (defined as selling not more than 4 million MWh per year) is not less than the percentage of all customers in the state that are served by those entities



State Plan

Indiana Plan Focus

Improve the electric grid infrastructure, particularly as it relates to the ability to withstand and recover from potential disruptions.

Build upon existing efforts throughout the state.

Indiana Overview – All Hazards Approach

Hazard Type	Annual Hazard Frequency (2009-2019)	Annual Property Damage (\$ million per year)
Thunderstorm & Lightning	116	\$11
Tornado	16	\$10
Flood	54	\$5
Winter Storm & Extreme Cold	35	\$4
Extreme Heat	4	\$0
Drought	2	\$0
Wildfire	<1	\$0
Earthquake	<1	\$0

Funding Allocation & Requirements

- State of Indiana Allocation
 - Years 1 and 2: \$9,180,926
 - 5-year total: \$23 million (estimated; formula may change year to year)
 - 5% Technical assistance and administrative
- Match Requirements
 - State: 15% non-federal source
 - Small utilities: 1/3rd of federal amount awarded
 - All other eligible entities: 100% of federal amount awarded

Indiana Goals

1. Improve the **reliability** of Indiana's electric grid by reducing the frequency and duration of sustained interruptions and the number of customers impacted, especially for customers that experience higher than average frequency and duration of outages.
2. Improve the **resilience** of Indiana's electric grid to natural disasters to ensure the availability of power to critical community services, such as public safety, medical, and transportation systems during disasters.
3. Invest in projects that demonstrate a commitment to attract, train, and retain a diverse, highly skilled, and well-paid **workforce**.

Objective 1 – Reliability

Metrics:

- Number of customers anticipated to be impacted by a proposed investment (both total number and as a percentage of a utility's total customer base).
- For the utility system overall, baseline (e.g., historical) and post-investment data including both Major Event Days (MEDs) and non-MEDs.
 - SAIFI, SAIDI, CAIDI, CEMI, CELID
- Feeder-level data for the utility system impacted by the proposed investment, baseline (e.g., historical) and post-investment data for both MEDs and non-MEDs.
 - SAIFI, SAIDI, CAIDI, CEMI, CELID

Objective 2 – Resilience

Metrics:

- Baseline (e.g., historical) and postulated post-investment data regarding cumulative critical customer-hours of outages.
- Baseline (e.g., historical) and postulated post-investment data regarding percentage of critical customers that experience an outage.
- Baseline (e.g., historical) and postulated post-investment data regarding time to recovery for critical customers.
- Baseline (e.g., historical) and postulated post-investment data regarding utility's cost of recovery to restore customers after an outage before and after the investment.

Objective 3 – Workforce

Metrics:

- The number of anticipated jobs or employees working on the proposed project.
- A description of the labor standards used for direct employees, contractors, and subcontractors (e.g., project labor agreements, local hire agreements, etc.).
- Average hourly wage or rate by worker type employed on the proposed project.
- A description of engagement of potential training partners to support utility-related workforce development efforts, including any efforts to include opportunities for underrepresented or historically excluded workers, and those displaced by energy transition.

State Plan Criteria

Greatest Community Benefit

Priority given to projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.

Small Utility Set-Aside (26%)

The percentage made available to eligible entities that sell less than 4 million MWh, per year. If so, provide a copy of the most recently submitted EIA-861 form.

Projects Located in Indiana

Awards must be given to eligible entities for projects that are within the State of Indiana.

Community Benefit

- Number of customers by customer class
 - Total and as a percent of total customers
- Project location information
- Asset management planning
- Labor needs and workforce development

Methods – Eligible Entities

Registration with the State and Federal governments.

As defined in Section 40101(d)(a)(2), an “eligible entity” means:

- 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 (U.S. Department of Energy) Secretary.

Methods – Application Process

- Public solicitation of funding opportunity through OED website, GovDelivery distribution list (anyone can sign up on website).
- OED will provide a comprehensive application process that meets federal and state requirements and aligns with the Program Narrative.
- OED will verify federal compliance and approval from U.S. DOE for each selected project.
- OED will first notify applicants of their projects, followed by a public announcement of awardees.

Methods – Awards

- Awarded eligible entities will enter into a sub-grant agreement with OED.
- Projects will be monitored and reported upon quarterly.
- Summaries of the awarded projects will be on the OED website.

Funding Distribution

All eligible entities under Section 40101 can apply.

Small utility set aside is 26%. This is a minimum not a maximum.

Maximum federal funding is \$2 million per awarded project.

One proposal per applicant per funding solicitation.

Funding Distribution – Match

State match is 15% of the federal funding amount.

Small utilities shall match 1/3 of the federal funding amount.

- 38% for 2023 Funding Opportunity

All other eligible entities shall match at 100% of the federal funding amount.

- 105% for 2023 Funding Opportunity

Equity Approach

Community Benefits

Priority shall be given to projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events. Applicants should describe, to the greatest extent possible, how their project, if awarded, would generate the greatest community benefit in reducing the likelihood and consequences of disruptive events.

To ensure communities, including historically underserved communities, are included in the process, the Indiana OED will require information from applicants to ascertain their engagement with disadvantaged and underserved communities, and the extent to which these types of communities were considered as part of their decision-making process.

Equity Approach

Quality Jobs

The Indiana OED will utilize the funding to encourage the promotion and development of high-quality jobs performed by a highly qualified workforce, consistent with federal and state laws and guidance.

Eligible entities should identify how their project will contribute to the workforce development objectives described in this Program Narrative.

Technical Assistance & Administration

In order to develop the processes and to distribute funding to subrecipients, Indiana OED staff and/or contractors may be necessary for program administration and technical assistance. Indiana will reserve the right to budget 5% for administration and technical assistance each year.



Application Process

Timeline

Applications open now through **Jan. 31, 2024**

May be found at:

www.in.gov/oed/grants-and-funding-opportunities/grid-resilience-program/

Follow application guidelines – Share as much as needed within the application parameters. If you do this, we should have plenty of information and data to review.

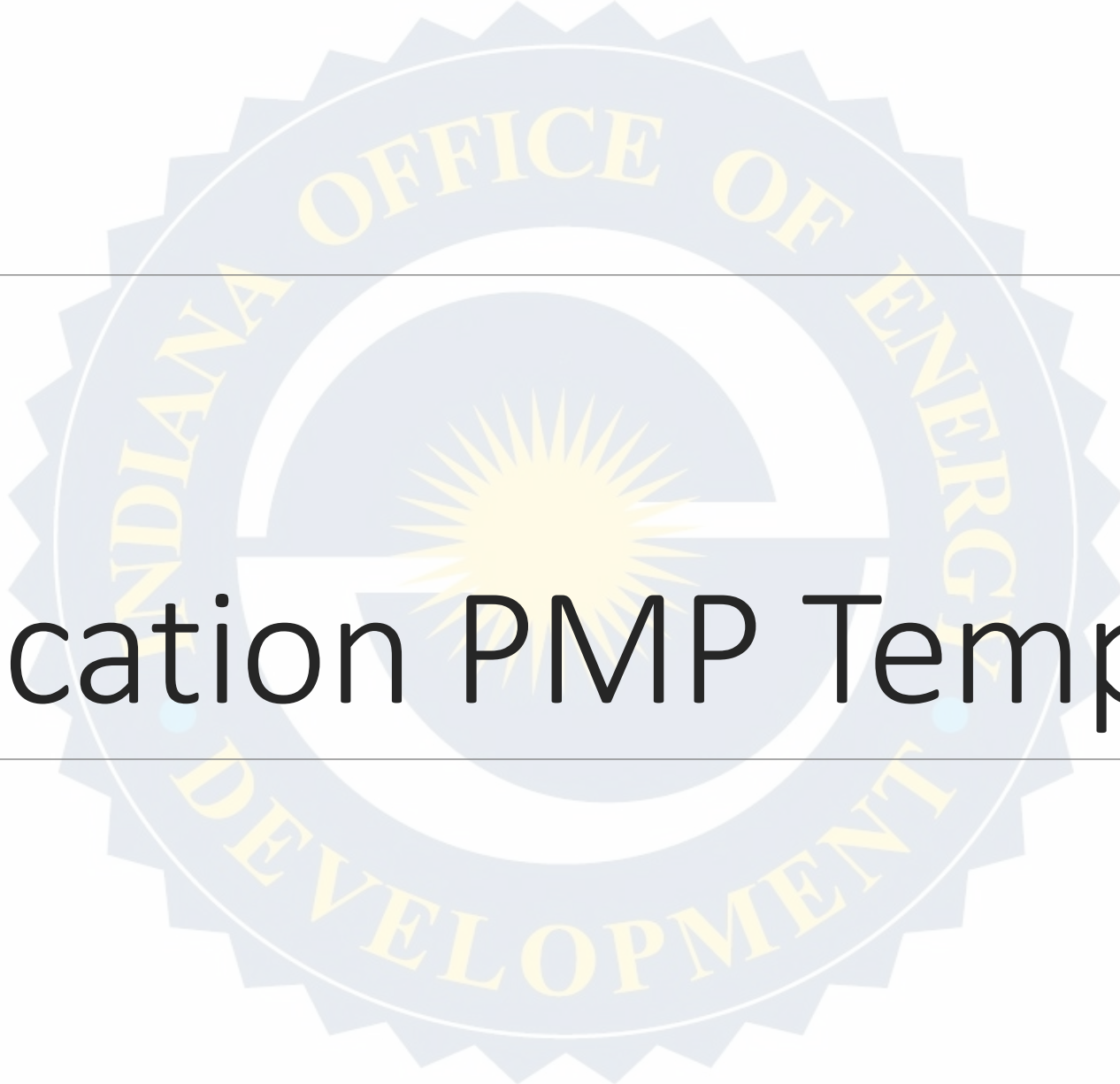
Application

An application package consists of:

- Application Template
- Environmental Questionnaire (EQ-1)
- Application PMP
- Cost match commitment letter
- 3 years of reliability metrics
- Map(s) of the proposed project

If applicable, application might include:

- EIA- 861 (for small utilities)
- Statement of project under 40101(c)



Application PMP Template

Budget Sheet

- Indicate Small Utility Status
- Include all costs anticipated for each category in the “Total” Column
- Justification must explain how the expenses are necessary to the completion of the project and attainment of project goals
 - BUILD Metrics
 - Workforce Goals
 - Community Benefits
- Contractual Expenses
 - All contracts in excess of \$25K must be explicitly stated and justified
 - If contracts have not been procured yet (which will likely be the case), the Name can be TBD with a description of the contract’s purpose.

				BASELINE BUDGET AND INCURRED COST					
Small Utility?				Budget Category	Total Approved Project Budget				Justification
					Federal	State	Match	Total	
				Personnel	\$ -	\$ -	\$ -		
				Fringe Benefits	\$ -	\$ -	\$ -		
				Travel	\$ -	\$ -	\$ -		
				Equipment	\$ -	\$ -	\$ -		
				Supplies	\$ -	\$ -	\$ -		
				Other	\$ -	\$ -	\$ -		
				Contractual	\$ -	\$ -	\$ -	\$ -	
				<i>Name (list all other contracts \$25,000 or more)</i>	\$ -	\$ -	\$ -		
				<i>Name (list all other contracts \$25,000 or more)</i>	\$ -	\$ -	\$ -		

MILESTONE TABLE		
Milestone	Milestone Title	Planned Completion Date
PM1.1	Project Start (e.g., Award Contract)	
PM1.2	Planning Complete	
PM1.3	Design Complete	
PM1.4	Regulatory Approval Obtained (including NEPA & Required Permits)	
PM1.5	Equipment / Materials Purchased	
PM1.6	Construction / Installation Started	
PM1.7	Construction / Installation 50% Complete (<i>define milestone marker here</i>)	
PM1.8	Construction / Installation 100% Complete	
PM1.9	Project Complete / Closed-Out	

Milestone Table

- Outline the project timeline via milestones
 - Insert rows as needed
 - Blue items must be included
 - Planned completion dates are tentative and will be tracked throughout the project to be updated as needed
 - Progress will be measured against these dates → Be realistic in expectations! Applications *will not be given priority* for overly condensed project timelines.

Risk Management Log				
Risk	Likelihood (High, Medium, Low)	Impact (High, Medium, Low)	Potential Impact	Mitigation Strategy
Permitting and regulatory approvals may delay implementation of project.	Select one.	Select one.		
Supply chain issues may impact availability of equipment causing project delays.	Select one.	Select one.		
Weather or other factors delay implementation.	Select one.	Select one.		
Unforeseen cost overruns.	Select one.	Select one.		
<i>*Add additional rows as needed</i>	Select one.	Select one.		
	Select one.	Select one.		
Provide additional explanation of Risk Impacts and Mitigation Strategies (if needed)				

Risk Management Log

- The Risk Management Log is designed to provide insight into potential bottlenecks and risks associated with the proposed project
- The ideal submission will include risks accurately and provide realistic mitigation strategies
 - Inclusion of risks will not be scored as negative project attributes → Risks will be scored according to both the identification and mitigation strategy



Registration & Compliance

Federal & State Registrations

Federal

- [Unique Entity Identifier](#)
- [System for Award Management](#)

State

- [Bidder Profile Registration](#)

Davis Bacon Act

- The Davis Bacon Act requires that all workers on Federal projects must be paid wages greater than or equal to the prevailing wage within the area.
 - Includes both directly hired workers and workers of subcontractors
- IOED will have a Federal Compliance Consultant that will be assisting with DBA requirements.
 - Payroll data will be reported weekly to the consultant
 - Issues and discrepancies will be identified and addressed as quickly as possible to prevent work stoppages.
 - Best Practices: Ensure that initial worker classifications are correct. IOED and our compliance consultant will be able to provide Technical Assistance where needed.
- For other questions or more information, please refer to the following sources:
 - [DBA Desk Guide](#)
 - [IOED Website](#)

Build America Buy America (BABA)

- BABA requires federally assisted projects that involve infrastructure work to procure materials and intermediate goods from American sources.
- A waiver may be applied for to purchase materials from international sources in the following cases:
 - Applying the American sourcing requirement would be inconsistent with the public interest
 - 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
 - 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.
- US DOE has already indicated that there will be supply chain disruptions associated with BABA
 - Please plan ahead during the application period to identify what products will need waivers.
 - There have been discussions with DOE about blanket BABA waivers for certain materials, however nothing has been finalized.
- For other questions or more information, please refer to the following sources
 - [US DOE Website](#)
 - [IOED Website](#)

National Environmental Policy Act (NEPA)

- Federal projects are subject to NEPA regulations to ensure environmental protection during Federally supported projects.
- The 40101(d) program does not have a program-wide NEPA Determination with Categorical Exclusions
 - Each project will individually have to receive a NEPA determination.
- EQ1 included in Application Package and must be filled out for all projects.
 - Identifies environmental risks
 - Determination will include changes or precautions that must be taken to complete proposed project.
- For other questions or more information, please refer to the following sources.
 - [NEPA Website](#)
 - [US DOE NEPA Site](#)
 - [IOED Site](#)

Goals

Remember the State Plan Goals of:

- Reliability
- Resilience
- Workforce



Submissions

When applications are complete, please send submissions to:

grants@oed.in.gov

Deadline is January 31, 2024



Next Steps

Next Steps

Submit Application by Jan. 31, 2024

OED review and preliminary award selection by March 29, 2024

Preliminary selections to U.S. DOE for review

Upon DOE approval, all applicants will be notified of award decision

Thank you!

Questions?

