

Investing in Georgia's Energy, Land, and Water Resources

BIL 40101(d) Public Hearing:
Preventing Outages and Enhancing the
Resilience of the Electric Grid

GEFA Energy Resources Division

March 15, 2023





Agenda

Public Hearing 10:00am – 12:00pm

- I. Housekeeping, Welcome and Introductions
- II. BIL 40101(d) Preventing Outages and Enhancing the Resilience of the Electric Grid Program Overview
- III. DOE Federal Compliance Requirement Examples
- IV. Georgia's Draft Five Year Program Narrative
- V. Questions and Comments

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Meeting Information

Zoom Meeting

<https://us02web.zoom.us/j/87349613464?pwd=TnNKa2NMV29qWmxnNG52ZTAUllxdz09>

Meeting ID: 873 4961 3464

Passcode: 612488

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Save comments until the end. Please mute yourself when not talking.

Written comments should be mailed to GEFA, Energy Resources Division, 47 Trinity Ave SW, Fifth Floor Atlanta, GA 30334. Electronic comments can be emailed to energyresources@gefa.ga.gov. All comments will be received until March 17, 2023, at 4:00 p.m.

A copy of the draft program narrative is available at gefa.georgia.gov.

Please call 404-584-1000 for additional information.

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Procedural Overview

Please sign in by typing your contact information in the chat to the Zoom host. Include:

- Name
- Organization you are Representing (or private citizen)
- Email Address
- How you heard about hearing (paper, email, website)

Mail: GEFA, Energy Resources Division, 47 Trinity Ave SW, Fifth Floor
Atlanta, GA 30334.

Email: Electronic comments can be emailed to
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Welcome and Introductions

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Introductions

- **Presenters:**

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*Public Comments to: energyresources@gefa.ga.gov



GEFA Energy Resources Division

Promotes energy efficiency, renewable energy, and energy assistance programs that improve the environment, strengthen quality of life, and stimulate sustainable economic growth and development.

- State Energy Office
- DOE's State Energy Program
- Weatherization Assistance Program
- Energy Performance Contracting
- Fuel Storage Tank Program
- Energy Assurance Program - ESF#12 Lead

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BIL 40101(d) Program Overview

Preventing Outages & Enhancing the Resilience of the Electric Grid Program

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Bipartisan Infrastructure Law (BIL)

- Also known as the Infrastructure Investment and Jobs Act (IIJA) of 2021.
- Signed into law on November 15, 2021.
- Created 60 new U.S. Department of Energy (DOE) programs, including Section 40101(d): *Formula Grants to States and Indian Tribes for Preventing Outages and Enhancing the Resilience of the Electric Grid*.
- Information about the federal opportunity can be found at:
<https://netl.doe.gov/bilhub/grid-resilience/formula-grants>
- The ALRD instead of Funding Opportunity Announcement (FOA). Reference number is DE-FOA-0002736



40101(d) Federal Grid Resilience Goals

The goal of the Grid Resilience Formula Grant Program is to support the federal government's objectives to:

1. Demonstrate measurable improvements in energy resiliency to all hazards in the United States and mitigate climate-related risk;
2. Invest in modernized grid infrastructure that can enable consumer access to lower-cost energy and accommodate increased electrification, increased penetrations of variable renewable electricity and distributed energy resources, and other evolving system needs over the coming decades;
3. Invest in clean energy and decarbonization solutions to achieve a carbon-free power sector by 2035 and net-zero greenhouse gas emissions economy-wide by 2050;
4. Create good paying jobs with the free and fair choice to join a union.

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Formula and Program Oversight

Funds are allocated to States via an annual formula grant:

- Approximately \$459 million allocated nationally per year for FY2022-26
- 15% cost match for each allocation must be provided by each State; and
- Up to 5% of a State's allocation be used for technical assistance, distribution of information to reduce the likelihood and consequences of disruptive events, and administrative expenses associated with the program.

Formula for determining each State's funding allocation is based on population, geographic area, probability of disruptive events, severity of disruptive events, and expenditure on mitigation efforts.

- For the first year of the program, Georgia has been allocated \$8,680,915.
- For year two of the program, Georgia has been allocated \$8,655,930.
- The Georgia Environmental Finance Authority (GEFA), will oversee the program.

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Eligibility for Formula Grants

For the purpose of implementing eligible resilience measures that achieve the objectives of this program, States may use grant funding to issue subawards to eligible entities, including:

- An electric grid operator;
- An electricity storage operator;
- An electricity generator;
- A transmission owner or operator;
- A distribution provider;
- A fuel supplier;
- Any other relevant entity, as determined by the Secretary (of DOE).



Eligible Activities

Funding provided under this program may be used to implement a wide range of resilience measures intended to mitigate the impact of disruptive events, including:

- Utility pole management
- Hardening of power lines, facilities, substations/other systems
- Undergrounding of electrical equipment
- Replacement of old overhead conductors and underground cables
- Relocation of power lines or reconductoring of power lines with low-sag, advanced conductors
- Vegetation and fuel-load management
- Weatherization technologies and equipment
- Fire-resistant technologies and fire prevention systems
- Monitoring and control technologies
- 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

Funding may also be used for the training, recruitment, retention, and reskilling of skilled and properly credentialled workers in order to perform resilience measures listed above.

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Ineligible Activities

A subaward to an eligible entity under this grant program **MAY NOT** be used for:

- Construction of a new –
 - electric generating facility; or
 - large scale battery storage facility
- Cybersecurity



Subrecipient Cost Match Requirements

Matching Funds

- Each State is required to match 15% of the amount of each grant provided to the State under this program.
- Any eligible entity that receives a subaward under this program shall be required to match 100% of the amount of the subaward.
- However, if the eligible entity does not sell more than 4,000,000 megawatt hours of electricity per year, the required match will be one-third (33%) of the amount of the subaward.

Small Utility Set-aside

- Furthermore, States must ensure that, of the subawards provided to eligible entities, the percentage made available to eligible entities that sell not more than 4,000,000 megawatt hours of electricity per year is not less than the percentage of all customers in the State that are served by those eligible entities.



Equity Approach

The Justice40 Initiative, created by Executive Order 14008, establishes a goal that 40% of the overall benefits of this program (and many other federal programs) should flow to disadvantaged communities. DOE encourages States to use this funding to:

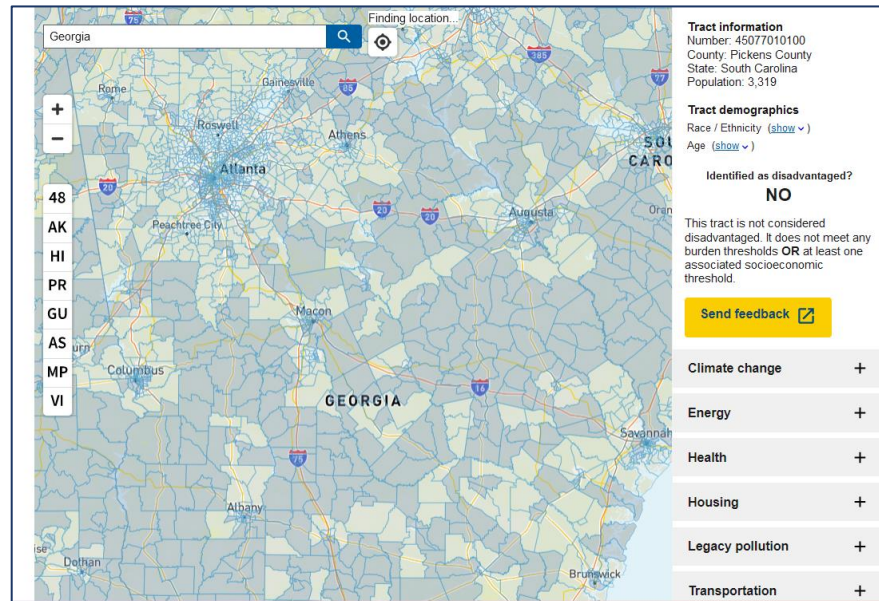
- Accelerate job growth and job quality:
 - Train, attract, and retain skilled workforce;
 - Provide workforce opportunities in communities that have lost jobs due to the displacements of fossil energy jobs;
- Prioritize projects that generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.
- Diversity, Equity, Inclusion, and Accessibility: reach historically underserved populations, racial minorities and women.



Equity Approach

White House Climate and Economic Justice Screening Tool (CEJST)
<https://screeningtool.geoplatform.gov/en/>

Census tracts that are overburdened and underserved are highlighted as being disadvantaged in the map. Zoom in to see specific tracts and download data to sort.



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Required Application Documents

States must submit the following documents to DOE by March 31, 2023 to obtain formula funds.

- **Program Narrative***;
- **Public Notice and Hearing**;
- Head of Government Letter;
- SF-424 (Application for Federal Assistance);
- Environmental Questionnaire (pre-NEPA);
- SF-LLL (Disclosure of Lobbying Activities);
- Pre-Award Information Sheet.
- Cost Match Information Sheet.

*The Program Narrative **will not** list or address specific projects. GEFA anticipates continuing stakeholder engagement, and soliciting projects later in 2023.

DOE Federal Compliance Requirements

BABA, DAVIS-BACON ACT, NEPA

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Examples of Federal Requirements

As a federal program, eligible entities and projects are subject to several federal compliance requirements, including, but limited to:

- Build America, Buy America (BABA)
 - <https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf>
- Davis-Bacon Act (labor/wage law)
 - <https://www.dol.gov/agencies/whd/government-contracts/construction/laws>
- National Environmental Policy Act of 1969 (NEPA) – Environmental Review
 - <https://www.energy.gov/nepa/guidance-and-requirements-table>



Special Terms & Conditions

Recipients of funding appropriated by BIL must comply with requirements of all applicable Federal, State and local laws, regulations, DOE policy and guidance, and instructions in the ALRD. This applies to subrecipients as well.

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Access to records;
- Whistleblower protections;

Georgia's Draft Program Narrative

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Georgia's Draft Program Narrative

Objective 1. Improve Grid Resilience:

Develop a planning framework to address all hazards, including future climate implications, for preventing outages and enhancing the resilience of the electric grid.

Objective 2. Support Georgia's Grid Workforce:

Invest in projects that that increase and support the skilled workforce within Georgia by demonstrating standards and protections (including for direct employees, contractors, and subcontractors), professional development and training opportunities.

Objective 3. Promote Grid Equity:

Invest in modernization of the grid infrastructure, enabling consumer access to lower-cost energy, while investing in clean energy solutions that align with the Justice40 Initiative.

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Objective 1: Improve Grid Resilience

Develop a planning framework to address all hazards, including future climate implications, for preventing outages and enhancing the resilience of the electric grid.

Metrics (Provisional):

- A. Reduce frequency and duration of outages to four main areas: Key infrastructure, Priority customers, Key geographic areas, and Disadvantaged communities.

- B. Measure the frequency (occurrences per year) of electricity service disruptions of one hour or more to the four main areas mentioned above.

- C. Measure the number of hours/days that key infrastructure, priority customers, key geographic areas, and disadvantaged communities, are closed due to lack of electricity.



Objective 2: Support the Grid Workforce

Invest in projects that increase and support the skilled workforce within Georgia by demonstrating standards and protections (including for direct employees, contractors, and subcontractors), professional development and training opportunities.

Metrics (Provisional):

- A. Outline of a plan to attract, train, and retain an appropriately skilled workforce (particularly those underrepresented or historically excluded).
- B. Outline plans to partner with a training provider (labor, community college, etc.) and the use of an appropriately credentialed workforce (e.g. requirements for appropriate and relevant professional training, certification, and licensure).
- C. Measure the number of Georgians trained to operate and maintain grid resilience projects.
- D. Measure the number of locally owned businesses that develop capacity to install, operate, and/or maintain grid resilience projects.

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Objective 3: Promote Grid Equity

Invest in modernization of the grid infrastructure, enabling consumer access to lower-cost energy, while investing in clean energy solutions that align with the Justice40 Initiative.

Metrics (Provisional):

- A. Reduce frequency and likelihood of outages in disadvantaged communities.
- B. Address energy justice by reporting on the likelihood of achieving zero disconnections of customers (from the electric grid), specifically disadvantaged communities (DACs).
- C. Benchmark and track trends in disconnections over the last 20 years, causes, and human conditions that drive disconnections, and a plan (including partnerships) to get to zero.
- D. Megawatt hours created and/or saved with the implementation of new renewables.



Georgia Draft Evaluation Criteria

- GEFA will ensure all projects that receive funding shall be located within the state of Georgia.
- Eligible entities must identify the location of the project and the community for which the project benefits and confirm that the project and its award will be invested solely in Georgia.
- Priority will be given to projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.
- Priority will be given to projects with the potential to directly strengthen or support Georgia's grid resilience workforce.



Draft Methods

Through the stakeholder and public review process and application development, GEFA will specify program objectives and project performance metrics. GEFA is also developing methods for soliciting, awarding, and distributing funds, including the use of competitive solicitations and/or direct awards. GEFA will follow federal and state procurement procedures to solicit, award, and distribute grant awards.

Awarded eligible entities will enter into a contract agreement with GEFA.

- Projects will be monitored and reported upon quarterly.
- Subrecipients will be required to provide quarterly performance and financial reports describing activities completed to date and progress toward objectives and metrics.
- Awarded funds will be distributed on a reimbursement basis to the subrecipients upon proof of completion of work and sufficient invoice detailing the work performed.



Draft Funding Distribution

For the first two years of funding, GEFA is expecting to receive formula funding of \$8,680,915 and \$8,655,930, respectively.

(GEFA will convene with a stakeholders to confirm totals below and on the following slide)

Two utility providers in Georgia sold more than 4 million MWh/year (based on data from 2020).

- Georgia Power sold 80,814,387 MWh/year.
- Jackson EMC sold 5,339,689 MWh/year.

Georgia Power and Jackson EMC serve a combined total of 2,852,248 customers (57.59 percent) and will be eligible to receive up to 57.59 percent of the available funding which will require a 100 percent match.

For Year 1, this is \$4,999,338.95. For Year 2, this is \$4,984,950.



Draft Funding Distribution (cont.)

Smaller EMCs and Munis serve a combined total of 2,100,374 customers (42.41 percent) and will be eligible to receive not less than 42.41 percent of the total federal formula funds to Georgia each year and will require a 33 percent match. For Year 1, this is \$3,681,576.05. For Year 2, this is \$3,670,979.90.

Georgia Power, EMC totals Sales, Customers, and Potential Funding Amount (Year 1 Example)

	Total Sale MWh	Customers Served	% of Total Custor	% of funding	Funding Amount	GaPower & Jackson EMC
Georgia Power	80,814,387	2,614,431	52.79%	57.59%	\$ 4,582,655.03	\$ 4,999,338.95
Jackson EMC	5,339,689	237,817	4.80%	57.59%	\$ 416,683.92	
Other EMC/Munis	43,769,021	2,100,374	42.41%	42.41%	\$ 3,681,576.05	
Totals:	129,923,097	4,952,622	100.00%	100.00%	\$ 8,680,915.00	

This data and funding distribution plan will be further reviewed with GEFA stakeholders and will be verified when projects are planned, and sub-agreements are negotiated.



State Cost Match

Under Section 40101(d)(8), each state is required to match 15 percent of the total federal grant allocation provided to the state or Indian tribe under the program.

However, states may utilize excess cost match of eligible entities to cover the state's portion. For Year 1, Georgia's 15 percent match is \$1,302,137.25.

Per Georgia Office of Planning and Budget(OPB): *“GEFA may proceed with this (program) with the understanding that the “state match” will not be covered with state general funds, but rather can be covered by the eligible recipients.”*



Draft State Cost Match

Therefore:

- Eligible entities that are not classified as small utilities shall provide at least 115 percent in cost match of the amount of the federal award they receive.
- Eligible entities that are considered small utilities will be required to match at least 48 percent of the amount of the federal award they receive.

Additional Details on 40101(d) Cost Match Information including Types and Allowability:

<https://netl.doe.gov/sites/default/files/2022-12/Cost%20Match%20Information%20for%2040101d%20Grant%20Application.pdf>



Draft Equity Approach

Community Benefits:

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

Quality Jobs:

Priority will be given to projects that use a diverse, local, well-trained, and well-paid workforce and projects that outline a plan to attract, train, and retain a highly skilled workforce, including opportunities for underrepresented or historically excluded workers and those displaced by the energy transition.

Diversity, Equity, Inclusion, and Accessibility:

Subrecipient projects shall identify whether the community or area is classified as a disadvantaged community and a description of how they included consideration of disadvantaged communities in their decision-making process.



Technical Assistance and Admin

To develop the processes and distribute funding to subrecipients, GEFA staff and/or contractors may be necessary for program administration and technical assistance.

GEFA reserves the right to budget 5 percent for administration and technical assistance. GEFA will track and monitor these administrative expenses and will allocate any of the 5 percent unused budget towards the following year.

Potential partners may be contracted for expertise in transmission and distribution, tracking customer level outages, grid resilience modeling, infrastructure interdependencies, evaluation of mitigation technologies, etc.

Questions and Public Comments
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