



DRAFT Guidelines: Massachusetts Subawards from
Section 40101(d) Formula Grants to States and Tribes –
Preventing Outages and Enhancing the Resilience of the
Electric Grid

FY 2024 – NZG – 01

Updated 12/28/23

Date of Issue: December 21st, 2023

Responses Due: February 2nd, 2024

Total Funding Currently¹ Available: \$9,209,845

All feedback must be submitted to:

grid@masscec.com

¹ Additional annual Federal awards may increase future available funds.

I. SUMMARY

Ahead of releasing an RFP, the Massachusetts Clean Energy Technology Center (“[MassCEC](#)”) seeks feedback on draft guidelines for subawards of the funding opportunity: Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grants to States and Indian Tribes, as defined in section 40101(d) of the Infrastructure Investments in Jobs Act (“[IIJA](#)”, also known as the Bipartisan Infrastructure Law (“[BIL](#)”). Generally, the funding aims to enhance the resilience of the electric grid, prevent outages, and mitigate the impact of disruptive events through eligible investments in activities, technologies, equipment, and other hardening measures. A full list of entities eligible for subawards (“[Subawardees](#)”) and eligible investments are provided in Section IV.

Massachusetts received a 40101(d) award from the U.S. Department of Energy (DOE) of \$9,209,845 for fiscal years (FY) 2024 and 2025 to implement the proposed Massachusetts Program Narrative (the “[Program](#)”).^{2, 3} Massachusetts may be eligible for an equivalent annual allocation for FY2026 through FY2028 (i.e., approximately \$4.5M per FY). MassCEC will open the solicitation in 2024 and accept rolling applications. Contingent upon subawards made and DOE’s allocation of funding for FY2026 through FY2028, the Program will revisit the solicitation, make any necessary revisions to best meet Program goals, and re-open or issue a new solicitation. Funds remaining from prior fiscal years would be available in later fiscal years.

Section 40101(d)(6) requires a Small Utilities Set Aside, by which the percentage of funding made available to entities that sell not more than 4,000,000 MWh per year is not less than the percentage of all customers in Massachusetts that are served by those eligible entities. Additionally, Massachusetts has committed to ensuring the benefits of the funding are shared equitably, advancing the State’s equity, environmental, and energy justice priorities, and in line with the [Administration’s Justice40 Initiative](#).

MassCEC’s approved application to the DOE included a Program Narrative intended to apply to each year of the five (5) year award period. The Program Narrative includes objectives and metrics that MassCEC intends to use to guide applicant project design, criteria to be used for selecting and determining awards to eligible entities, and methods anticipated for awarding and distributing funds. A link to the Program Narrative is provided on the MassCEC website for

² Fiscal year corresponds to the Federal fiscal year of October 1 through September 30.

³ The Massachusetts Program Narrative is available here: <https://www.masscec.com/ijja-section-40101d-preventing-outages-and-enhancing-resilience-electric-grid>.

review.⁴ Any future applications to the DOE for additional FY funding awards, and applications to MassCEC for subawards, must adhere to the approved Program Narrative.⁵ Feedback on the program guidelines provided in this document should consider the information in the Program Narrative.

II. ABOUT MASSCEC

MassCEC is a state economic development agency dedicated to accelerating the growth of the clean energy sector across the Commonwealth to spur job creation, deliver statewide environmental benefits, and to secure long-term economic growth for the people of Massachusetts. MassCEC works to increase the adoption of clean energy while driving down costs and delivering financial, environmental, and economic benefits to energy users and utility customers across the state.

MassCEC's mission is to accelerate the clean energy and climate solution innovation that is critical to meeting the Commonwealth's climate goals, advancing Massachusetts' position as an international climate leader while growing the state's clean energy economy. MassCEC is committed to creating a diverse, equitable, and inclusive organization where everyone is welcomed, supported, respected, and valued. We are committed to incorporating principles of diversity, equity, inclusion, and environmental justice in all aspects of our work to promote the equitable distribution of the health and economic benefits of clean energy and support a diverse and inclusive clean energy industry. MassCEC strives to lead and innovate in equitable clean energy and climate solutions.

III. PROGRAM OBJECTIVES AND EQUITY APPROACH

MassCEC has defined the following Program objectives and Program implementation strategies:

Program Objectives:

- **Objective 1:** Identify and fund projects that can improve energy reliability and resilience, reducing the cost and number of outages for communities and underserved populations, including environmental justice communities and disadvantaged communities (DACs) ⁶.
- **Objective 2:** Support clean energy and decarbonization solutions, including building electrification.
- **Objective 3:** Advance the Commonwealth's equity, environmental justice, and energy justice priorities, sharing the benefits of the Program equitably and in line with the Justice40 Initiative.

⁴ The Massachusetts Program Narrative is available here: <https://www.masscec.com/iija-section-40101d-preventing-outages-and-enhancing-resilience-electric-grid>.

⁵ The Program Narrative may be amended, subject to approval by DOE and after a public comment process.

⁶ For DOE's definition of disadvantaged community, refer to <https://www.energy.gov/justice/justice40-initiative>.

- **Objective 4** Create good-paying jobs with the free and fair choice to join a union.

To further the Commonwealth’s [Clean Energy and Climate Plan for 2050](#), related [Environmental Justice Policy](#), and the [Administration’s Justice40 Initiative](#), applicants should seek to partner with environmental justice (EJ) communities⁷ and/or (DACs) (respectively). The strongest applications will be for projects designed in collaboration with communities. Communities should identify the problem that the proposed investment can help to solve and the eligible Subawardee should provide the relevant solution. Eligible Subawardees should show evidence of strong channels of communication with the relevant community. In line with the [Administration’s Justice40 Initiative](#), at least 40% of the awarded funds will benefit disadvantaged communities that are marginalized, underserved, and overburdened by pollution.

Additional guidance on the objectives and approach to community benefits can be found in the Program Narrative.⁸

IV. ELIGIBILITY

The DOE provides guidance on the types of eligible Subawardees and investments. However, any application must also demonstrate that it satisfies the Program Objectives set out in Section III above.

Eligible Subawardees:

- Electric grid operators;
- Electricity storage operators;
- Electricity generators;
- Transmission owners or operators;
- Distribution providers;
- Fuel suppliers; and
- Any other relevant entity, as determined by the Secretary of DOE.⁹

A percentage of the total funding for the Program will be made available specifically for eligible Subawardees that sell not more than 4,000,000 megawatt hours (MWh) of electricity per year

⁷ Defined in the 2021 law, “An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy” as “a neighborhood that meets 1 or more of the following criteria: (i) the annual median household income is not more than 65 per cent of the statewide annual median household income; (ii) minorities comprise 40 per cent or more of the population; (iii) 25 per cent or more of households lack English language proficiency; or (iv) minorities comprise 25 per cent or more of the population and the annual median household income of the municipality in which the neighborhood is located does not exceed 150 per cent of the statewide annual median household income.”

⁸ The Massachusetts Program Narrative is available here: <https://www.masscec.com/iija-section-40101d-preventing-outages-and-enhancing-resilience-electric-grid>.

⁹ MassCEC must first request a determination of “eligible entity” status from DOE. The eligible entity status request form is available via the DOE website, [Eligible Entity FPO GDO Approval Form final.pdf \(doe.gov\)](#).

("Small Entities"). MassCEC estimates that the amount made available for Small Entities is, at a minimum, 59% of the available funds. This amount is determined based on an estimate of the percentage of all customers in Massachusetts that are served by eligible Small Entities.¹⁰ If an applicant believes they qualify as a Small Entity but are not included in the EIA data reported in Table 10 (2022 Utility Bundled Retail Sales – Total) of the Electric Sales, Revenue, and Average Price Reports,¹¹ you may submit alternative documentation with your application demonstrating eligibility.

Eligible Projects:

- Weatherization technologies and equipment;
- Fire-resistant technologies and fire prevention systems;
- Monitoring and control technologies;
- Undergrounding of electrical equipment;
- Utility pole management;
- Relocation of power lines or the reconductoring of power lines with low-sag, advanced conductors;
- Vegetation and fuel-load management;
- Use or construction of distributed energy resources (DERs) 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, or other systems; and
- Replacement of old overhead conductors and underground cables.

Ineligible Projects:

Construction of new electric generation facilities, large scale battery storage not used to supply electricity where needed during disruptive periods, and cybersecurity measures are not considered eligible projects.

Cost Match and Administrative Requirements:

- Eligible entities that sell >4,000,000 MWh of electricity per year must match 100% of the subaward value.
- Eligible entities which sell ≤4,000,000 MWh of electricity per year must match one-third (1/3) of the subaward value.
- Subawardees must abide by the Buy America guidelines outlined in section VI.

¹⁰ In line with DOE guidance, MassCEC used data reported on forms EIA-861 and 861S to the Energy Information Administration (EIA) (https://www.eia.gov/electricity/sales_revenue_price/pdf/table_10.pdf).

¹¹ See https://www.eia.gov/electricity/sales_revenue_price/pdf/table_10.pdf.

- Subawardees must abide by the Davis-Bacon guidelines outlined in section VI.

Program Period:

Awards may be extended to span the amount of time necessary for recipients to complete all subaward project efforts, for up to ten (10) years.

V. ADDITIONAL SELECTION CRITERIA

A complete rubric for selection criteria will be provided in the final RFP. However, the following shall apply:

- Projects must be sited in Massachusetts.
- Priority must be given to projects that will “generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.”¹² Preference will be given to projects that benefit EJ Communities and Disadvantaged Communities (“DACs”) as defined by DOE’s Justice40 Initiative.¹³ In determining priority for projects that provide the greatest community benefits, MassCEC may prefer applicants that can:
 - Demonstrate how the proposed project will ensure continuity of critical services during major event-related outages, especially services to underserved populations, including EJ communities and DACs;
 - Demonstrate a plan for meaningful collaboration with communities, including EJ communities and DACs when developing and implementing the project;
 - Demonstrate benefits from the project to communities and underserved populations, including EJ communities and DACs;
 - Demonstrate community support for the project, including via letters of support from groups representing the community interest;
 - Demonstrate how the project will use strong labor standards and protections (including for direct employees, contractors, and sub-contractors), such as through the use of project labor agreements, and outline of a plan to attract, train, and retain an appropriately skilled workforce (i.e., through registered apprenticeships and other joint labor-management programs that serve all workers, particularly those underrepresented or historically excluded); plans to partner with a training provider (labor, community college, etc.); and the use of an appropriately credentialed workforce (i.e., requirements for appropriate and relevant professional training, certification, and licensure);

¹²In line with BIL Section 40101(d) requirements (see pg. 496 of <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>)

¹³ As defined in the Office of Management and Budget Interim Implementation Guidance for the Justice40 Initiative, M-21-28 (<https://www.whitehouse.gov/wp-content/uploads/2021/07/M-21-28.pdf>)

- Provide metrics that will accompany the objectives to measure outcomes associated with improving resilience, creating good-paying jobs with the free and fair choice to join a union, and advancing energy justice; and/or
- Demonstrate how the project will support the Commonwealth’s clean energy and decarbonization goals as defined in the Commonwealth’s Clean Energy and Climate Plan for 2050.

MassCEC also proposes to consider the following:

- Applications that incorporate innovative, replicable, and scalable financing approaches and business models that could support development of reliability and resilience solutions beyond the Federal funding available in this solicitation;
- Applications that develop solutions for private buildings that have a public benefit (e.g., grocery stores, gas stations), and associated proposals for arrangements that allow the public use of the resilience benefits at the private sites when needed (e.g., during outages greater than a certain duration); and
- Projects that support resilience needs that would not otherwise be funded by the private sector.

VI. FEDERAL FLOW DOWN REQUIREMENT

MassCEC must apply the terms and conditions of the 40101(d) Award, as applicable, including the provisions regarding intellectual property rights (per 201 CFR 200.315 or 2 CF 910.362, as applicable), to all Subawardees (and subcontractors, as appropriate), as required by 2 CFR 200.101, and to require their strict compliance therewith. Further, MassCEC must apply the Award terms as required by 2 CFR 200.327 to all Subawardees (and subcontractors, as appropriate), and to require their strict compliance therewith. Awards under the final RFP will have requirements including, without limitation, the Buy America Requirement, subchapter IV of chapter 31 of title 40, United States Code commonly referred to as the “Davis-Bacon Act” (DBA), Executive Order 11246 Affirmative Action and Pay Transparency Requirements, and National Environmental Policy Act (NEPA) requirements.

VII. ESTIMATED TIMELINE

The RFP is expected to remain open to applications on a rolling basis. MassCEC proposes to evaluate applications on a quarterly basis, based on the Federal fiscal year calendar. For instance, applications submitted between April 1 and June 30 (Q3) will be reviewed as a cohort and awards will be determined within a specified timeframe thereafter. Applications received in the subsequent quarters (i.e., Q4, Q1, and Q2) would be reviewed as separate cohorts thereafter.

The draft timeline below is subject to change at MassCEC’s discretion.

Item	Estimated Date
Release of Draft Guidelines for Public Comment	December 21 2023
Questions and Feedback due to MassCEC via email to <i>grid@masscec.com</i>	February 2, 2024
Questions with Answers Posted to MassCEC Website	February 2024
Release of RFP	Q1 2024

VIII. CONTACT INFORMATION FOR QUESTIONS

The electronic form for providing feedback is here:

<https://form.jotform.com/233526134420143>. You may also download a Word version of the questionnaire at: <https://www.masscec.com/iija-section-40101d-preventing-outages-and-enhancing-resilience-electric-grid> and submit it to grid@masscec.com. Please direct any questions and other feedback to Grid@masscec.com. If accessibility to computer, internet or software may prohibit you from submitting electronic feedback, or if there are other challenges with accessibility such as language or writing barriers, our team is available to discuss alternative feedback options – please contact grid@masscec.com or call Corrin Moss, Program Manager at 617-315-9316.