

Q&A – Request for Proposals for Massachusetts Subawards from Section 40101(d) Formula Grants to States and Tribes – Preventing Outages and Enhancing the Resilience of the Electric Grid (Round 1 – Summer/Fall 2024)

Note that some questions have been lightly edited for clarity and conciseness. Similar questions that were received from multiple entities have been combined.

1. *How is it that 59% of the population in MA is served by “small” entities (defined as entities that sell less than 4,000,000 MWh of electricity annually)? When you look at maps, it looks like Eversource and National Grid cover much of MA.*

The enabling legislation in the Bipartisan Infrastructure Law defines “small” entities as those that sell less than 4,000,000 MWh of electricity annually.¹ Per DOE’s guidance, MassCEC used electricity sales data reported to the Energy Information Administration (EIA)² to determine the percentage of customers served by small entities in MA.

The most recent data from EIA (2022) shows that Eversource (d/b/a NSTAR Electric Company) sold 3,875,519 MWh of electricity annually, categorizing it as a “small utility” under DOE’s definition. National Grid (d/b/a Massachusetts Electric Co and Nantucket Electric Co.) is the only “large” entity in MA – its sales totaled 5,590,492 MWh in 2022. As National Grid is the only large entity, MassCEC calculated that 58% of customers in MA are served by small utilities per DOE’s definition.

The EIA publishes updated data annually in October.³ MassCEC will continue to monitor electricity sales annually and will adjust the amount of funds available to small utilities accordingly. MassCEC will also explore whether the EIA data is sufficiently accurate for Massachusetts.

2. *Can cost match include in-kind services?*

Cost match can be cash or in-kind provided that the in-kind activities are allowable per the terms of the funding program. If you plan to use indirect rates as part of cost share, please contact MassCEC at grid@masscec.com for further information.

3. *Is MassCEC likely to receive a 3rd year of funding from DOE? How much?*

Yes, MassCEC expects to receive its FY24 allocation (year 3 of funding) in August or September 2024. The FY24 allocation is \$4,319,678.⁴

4. *Is electricity “sales” the energy, which may be from smaller energy brokers, or is it the distribution utility the energy flows through?*

¹ See Section 40101(d)(6), at PDF p. 498: <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>.

² See table 10 (https://www.eia.gov/electricity/sales_revenue_price/pdf/table_10.pdf) for the full dataset that MassCEC used to determine the percentage of customers served by small entities in MA.

³ https://www.eia.gov/electricity/sales_revenue_price/

⁴ <https://netl.doe.gov/sites/default/files/2023-12/FY24%20Allocations%20Table.pdf>

Electricity sales refers to either retail or wholesale transactions of electricity. Electricity sales are separate from electric distribution.

5. *Is the 4 million MWh threshold that determines small vs. large entities retail sales, wholesale sales or either?*

Electricity sales can be either wholesale or retail sales.⁵ Please note that the entity must be eligible as defined by DOE regardless of the type of electricity sales to apply for funding.

6. *What size grant would be typical? How many grants will be made in this round?*

MassCEC has not determined a minimum or maximum award amount, nor has it made an estimate of how many awards will be made during this round.

7. *What types of projects does MassCEC see as most favorable for funding? Guidance for other DOE grants has suggested that projects should not be investments that would be made otherwise but should simultaneously be shovel-ready, which can seem contradictory.*

DOE and MassCEC have not issued specific guidance related to this question. As noted in the RFP, all projects must aim to enhance the resilience and/or reliability of the electric grid and must be “eligible activities” as defined by DOE (please see the RFP⁶ for a full list of eligible activities). Additionally, as described in the RFP and scoring rubric, applicants can earn “bonus” points for projects that propose innovative financing approaches, business models, partnerships, and project types.

Please note that the period of performance for this funding is five (5) years, though the period of performance can be extended to a maximum of ten (10) years if necessary. Applicants should ensure that proposed projects can be completed within this time frame.

8. *If an entity generates less than 4,000,000 MWh and does not sell electricity, is that entity eligible as a large entity?*

Eligible entities must be one of the following entity types:

- a. Electric grid operators;
- b. Electricity storage operators;
- c. Electricity generators;
- d. Transmission owners or operators;
- e. Distribution providers;
- f. Fuel suppliers; and
- g. Any other relevant entity, as determined by the Secretary of DOE.⁷

⁵ See <https://netl.doe.gov/sites/default/files/2024-04/40101d%20Frequently%20Asked%20Questions.pdf>, at PDF p. 22.

⁶ https://www.masscec.com/sites/default/files/documents/40101d_rfp_summer-fall_2024.pdf

⁷ MassCEC must first request a determination of “eligible entity” status from DOE. Please contact grid@masscec.com if you plan to seek this determination. The eligible entity status request form is available via the DOE website, [Eligible Entity FPO GDO Approval Form final.pdf \(doe.gov\)](#).

If an entity is considered eligible, it will be further categorized as “small” or “large”. Small entities are those that sell less than 4,000,000 MWh annually, and large entities are those that sell more than 4,000,000 MWh annually OR that do not sell electricity. The size determination is not made based on generation.

All eligible entities that propose eligible project activities are welcome to apply, regardless of designation as “small” or “large”.

9. *If a public university in Massachusetts applies for this funding as an eligible electric storage operator, would they be considered a Large or Small entity?*

The designation between large and small entities is based on electricity sales. Entities that sell less than 4,000,000 MWh annually are considered small entities. Entities that sell more than 4,000,000 MWh annually OR that do not sell electricity are considered large entities. The university should determine whether it sells electricity, and if so, how much electricity it sells to determine its status as large or small. Please contact grid@masscec.com if you wish to seek additional guidance on a small or large determination based on sales.

10. *MassCEC has received about \$4.6 million for fiscal years 2022-2023 each (totaling \$9.2 million) so far. Is this funding restricted to being distributed on an annual budget (i.e. only distributed one year’s worth at a time)? Can you distribute all available funding this year?*

Once MassCEC has been awarded funding by DOE, it is available to distribute. All available funding could be distributed in one year; conversely, funding does not need to be spent in the year it was awarded.⁸ MassCEC has not yet determined whether all available funding will be distributed during this round.

11. *What is the criteria for increasing the cost match? The cost match ranges are: between 100%-115% of the award for large entities and between one-third and one-third plus 15% of the award for small entities.*

The BIL legislation requires subawardees to provide a minimum cost match of 100% of the award for large entities and one-third of the award for small entities.

MassCEC is also required to match 15% of the total award from DOE. Per the Massachusetts program narrative,⁹ MassCEC may pass its 15% cost match onto subawardees.

Final cost match for subawardees will be determined based on demonstrated need and ability of the state to provide cost match.

12. *Are there opportunities for EDC meet-ups or networking events with clean tech start-ups to explore potential partnerships that align with the objectives of this program? Alternatively, are EDCs or other eligible entities planning to consider new innovative approaches and engage with start-ups for potential collaborations?*

⁸ See page 26 of the DOE 40101d FAQ document: <https://netl.doe.gov/sites/default/files/2024-04/40101d%20Frequently%20Asked%20Questions.pdf>

⁹ https://www.masscec.com/sites/default/files/documents/MassCEC%20Program%20Narrative%20-%20Year%203_0.pdf

MassCEC has not yet organized networking or meet-up events to facilitate project partnerships. However, MassCEC may facilitate these types of opportunities in the future, to complement future rounds of this solicitation. We expect to accept applications on a semiannual basis. We encourage prospective applicants to share feedback about the types of opportunities that would be helpful. Please get in touch with us at grid@masscec.com if you would like to provide feedback.

13. *Would an electricity supplier participating in Community Choice Aggregation be an eligible grantee?*

DOE has defined the following entity types as eligible for funding:

- 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.¹⁰

Entities may apply if they believe that they comply with this requirement, or they may contact MassCEC to receive designation as an eligible entity. Please note that eligible entities must also propose eligible project activities to be considered for funding – see the RFP¹¹ for more detail regarding eligible project activities.

14. *Can an entity apply multiple times with different projects?*

Yes.

15. *Can federal tax credits stemming from IRA be considered as part of the cost match? How does DOE view tax credits that come in after the fact?*

MassCEC has contacted DOE for clarification regarding this question. We will update this FAQ document once we have more information.

16. *What constitutes a "sale"? Is there a technical definition?*

Sales can be either retail or wholesale electricity sales to ultimate customers.¹² Sales are counted from the operating company (rather than the holding company).

17. *Do you have an application form that can be used by the applicants?*

Please complete all required and optional application forms (as applicable). Application forms can be accessed via this link: <https://www.masscec.com/program/request-proposals-ijja-section->

¹⁰ 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 \(doe.gov\)](https://www.masscec.com/sites/default/files/documents/40101d_rfp_summer-fall_2024.pdf).

¹¹ https://www.masscec.com/sites/default/files/documents/40101d_rfp_summer-fall_2024.pdf

¹² <https://www.eia.gov/electricity/data/eia861/>

[40101d](#). Please see the RFP for further instructions regarding application requirements and selection criteria.

18. *Would this provide an incentive to a homeowner who has energy storage? If so, can you give an example as to what the incentive would be for a 10 kW energy storage customer of our solar installation company?*

Applicants must be eligible entities as defined by DOE. See the response to Question 12 above the Section IV of the RFP¹³ for a list of eligible entities.

Additionally, applicants must propose projects defined as eligible by DOE to be considered for funding. Refer to Section IV of the RFP for the list of eligible projects.

Finally, 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.”¹⁴

As such, homeowners who have energy storage are likely not good candidates for this funding opportunity.¹⁵

19. *When looking at projects that benefit underserved communities, what data are you using to determine whether a community is underserved, a DAC, and/or an EJC?*

Generally, MassCEC will utilize the state’s Environmental Justice (EJ) Population definition¹⁶ and DOE’s definition of Disadvantaged Communities (DACs)¹⁷ to determine whether communities are underserved. Communities may be in either an EJ Population or a DAC to be considered as “underserved” (they are not required to have both designations). MassCEC may consider additional types of subpopulations as underserved if an applicant makes a justification for why that may be the case, for instance, based on age or disability, which are not captured in the State’s definition of EJ Population.

¹³ For the RFP, see: <https://www.masscec.com/sites/default/files/documents/40101d%20RFP%20Summer-Fall%202024.pdf>.

¹⁴ In line with BIL Section 40101(d) requirements (see pg. 496 of <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>).

¹⁵ See pg. 18 of DOE’s 40101(d) FAQ document for further information:

<https://netl.doe.gov/sites/default/files/2024-04/40101d%20Frequently%20Asked%20Questions.pdf>

¹⁶ Environmental Justice Population is 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.” See also: <https://www.mass.gov/info-details/environmental-justice-populations-in-massachusetts>. We use the terms Environmental Justice Population and Environmental Justice Community (EJC) interchangeably.

¹⁷ For DOE’s definition of disadvantaged community, refer to <https://www.energy.gov/justice/justice40-initiative>.

20. *Is this grant under the same umbrella as the Federal GRIP grant that closed back in April? If so, is it acceptable to submit an application for a project we already submitted for potential funding under that funding opportunity?*

Both opportunities were established by the 2021 Bipartisan Infrastructure Law (BIL) and are administered by the Grid Deployment Office (GDO) within DOE.

Applicants may not submit an application with the same scope to the 40101(d) Resilience Grants program (this funding opportunity) and to the GRIP program in the same program cycle per the BIL.¹⁸ If an application is still under consideration for a GRIP award at the time of application submission to this funding opportunity, it will be considered the same application cycle.

However, if an application was submitted to the GRIP program and was rejected, applicants may submit that project for consideration under this funding opportunity. Additionally, applicants may submit applications with different scopes to both GRIP and this opportunity at the same time.¹⁹ DOE will determine whether project scopes are sufficiently different as part of their application review.

Please see the RFP (Section IV) and application materials for information on disclosure of other DOE applications.

21. *Is there any benefit for coordinated/collaborative grid-energy resilience projects at multiple sites within a town or city to apply as one project or as independent projects?*

Applicants are encouraged to submit projects that they believe best fulfill the goals of the RFP. Coordinated and independent projects are both allowable project types. MassCEC encourages prospective applicants to consider how projects can be designed to best fulfill RFP goals.

22. *Same question as above, but across municipal lines or municipal territories?*

Likewise, applicants are encouraged to submit projects that they believe best fulfill the goals of the RFP. Applicants may form “teams”, including across municipal lines.

23. *Are controllable thermal storage resources to be used with electric HVAC systems (alternative to chemical batteries for HVAC) eligible?*

Thermal storage is not excluded from this funding opportunity. Please keep in mind that all projects must focus on grid resilience. If the thermal storage system can measurably improve grid resilience and the project is submitted with that in mind, then a case can be made for its approval. Additionally, it is beneficial if applicants can identify whether a proposed technology aligns with the specified eligible projects, as listed in Section IV of the RFP.

24. *Are Virtual Power Plant networks eligible technologies?*

¹⁸ See section 40101 of the BIL: <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>.

¹⁹ See pg. 4 of the DOE 40101(d) FAQs for further information: <https://netl.doe.gov/sites/default/files/2024-04/40101d%20Frequently%20Asked%20Questions.pdf>.

Yes, Virtual Power Plants may be considered an eligible project. See Section IV of the RFP for the list of eligible projects. Please keep in mind that all proposed projects must aim to measurably improve grid resilience and/or reliability.

25. *In the discussion on scoring, the RFP states (p.7) that "Projects that support public resilience needs that would not otherwise be funded by the private sector (e.g., where the benefits are indirect or distributed in a way that makes funding or investment unlikely)." Will each project be reviewed for these criteria and might a project be rejected based on a judgement that it might be funded by the private sector? How will these criteria be evaluated?*

Each project will be scored on a variety of attributes, detailed in the Scoring Rubric providing in the application materials. The above-mentioned criterion is an opportunity for applicants to earn bonus points. Additionally, demonstrated need for funding will be considered for all projects. Please see the scoring rubric for more details regarding scoring.²⁰

26. *The RFP states that "MassCEC may prefer project sites that have taken advantage of other MA programs related to energy efficiency, electrification, resilience, and clean energy, or that will seek to take advantage of these programs in parallel to the proposed project." Does this include MA programs implemented by parties other than MassCEC that address EE, electrification and clean energy? Might these programs include those administered by large utilities in MA or by other utilities?*

Yes, this refers to all available programs in Massachusetts related to energy efficiency, electrification, resilience, and clean energy (not limited to those administered by MassCEC).

27. *Does the applicant need to have a Community Benefits Agreement in place prior to submitting the application or is an in-progress CBA sufficient for the application?*

Community Benefits Agreements are not required to receive funding from this program, but they are strongly encouraged. MassCEC has not defined a preference for completed versus in-progress CBAs.

28. *The RFP states (p. 6) that the "MassCEC may prefer applicants that can: "Conduct an initial screening analysis to help municipalities identify opportunities with their utilities for projects that will measurably improve electric resilience for the municipality or a substantial community within that municipality." Is this task expected to be completed prior to the application and project, or is it to be completed at the beginning of the project and included in the project work plan? Should it be a budgeted task in the project work plan?*

For this criterion, applicants ideally should have conducted a screening analysis prior to submitting the application and selected a project site based on the results of the screening analysis.

²⁰ See Attachment G – Scoring Materials under the header “Reference Materials”:
<https://www.masscec.com/program/request-proposals-ijja-section-40101d>.

29. *Can a MLP cost-share their Union Labor for the project both for administrative project management & labor tasks (EX. MLP reconductoring circuits, pole installations, transformer upgrades, substation upgrades & Project management, engineering, administrative ETC)*

Yes, MLPs can likely cost-share union labor provided that the payment rates comply with the Davis-Bacon Act. However, MassCEC is in the process of confirming this with the DOE Grid Deployment Office (GDO) and will update this FAQ document should our understanding change.

30. *If an MLP can cost share their labor, most it be at prevailing wage or will it default to the bill rate of the staff for that particular MLP.*

MLPs can likely cost-share labor at the bill rate of the staff for the specific MLP, provide that bill rates comply with the Davis-Bacon Act. Again, MassCEC is in the process of confirming this with the GDO and will update this FAQ document should our understanding change.

31. *Can MLPs file joint applications?*

Yes.

32. *Can one proposal encompass multiple aspects of the “eligible activities” (IE a proposal to replace bare conductor & replace aged transformers ETC)?*

Yes.

33. *Is there a minimum or maximum to the project size/cost (IE proposals must be over or under a certain value amount).*

MassCEC has not determined a minimum or maximum project size or cost. MassCEC encourages applicants to submit proposals that best fulfill the goals of the RFP.