

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

Questions and Responses

Note that some questions have been lightly edited for clarity and conciseness.

Respondent 1:

1. *Can MassCEC please clarify if “building decarbonization” in Objective 2 refers to commercial and industrial buildings, or also residential homes?*

Objective 2 in the Massachusetts Program Narrative¹ states: “Support clean energy and decarbonization solutions, including building electrification.” In addressing the question of whether 40101(d) funds may be used to provide individual households with backup energy resources that can be used during an outage, the Department of Energy states: “IIJA Section 40101(d)(5) requires States and Indian tribes to give priority to projects that, ‘in the determination of the State or Indian tribe, will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events. While the criteria and rationale for resilience projects are described in the Program Narrative and evaluated on a case-by-case basis, generally, projects for individual benefit (i.e., individual houses) are not allowable under this program.”²

2. *Can MassCEC please clarify if applicants can pursue additional funding sources from the US DOE to go towards funding the same project?*

It may be possible for applicants to pursue other sources of federal funding; however, all federal flow-down requirements of the 40101(d) grant would apply to the entire project. **Please note that applicants to this program may not pursue Grid Resilience and Innovation Partnerships (GRIP) funding for the same project concurrently.** The DOE states: “An eligible entity is not allowed to submit the same application for a grant under IIJA Section 40101(c) and Section 40101(d) in the same application cycle. DOE considers a ‘grant’ to have a specific scope (i.e., a unique project). Accordingly, an eligible entity may not submit a grant application with the same scope under both Sections 40101(c) and 40101(d) in the same application cycle. Eligible entities can submit proposals to both Sections 40101(c) and 40101(d) in the same application cycle as long as they are separate scopes of work that address different resilience measures.”³

¹ <https://www.masscec.com/sites/default/files/documents/MA%2040101d%20Program.pdf>

² The full DOE 40101(d) FAQ document can be accessed here: <https://netl.doe.gov/sites/default/files/2023-12/40101d%20Frequently%20Asked%20Questions%20Updated%2012-20-23.pdf>.

³ Pg 4, 40101d Frequently Asked Questions: https://netl.doe.gov/sites/default/files/2024-02/40101d%20Frequently%20Asked%20Questions%20Updated%20combined%2001-24-24_Final.pdf

Please contact MassCEC at grid@masscec.com if you plan to pursue other federal funding sources for the same project. Please note that federal grants may not be counted as cost share for this funding opportunity.

3. *Will applicants be able to revise their applications and reapply in a future cohort if an application is unsuccessful?*

Yes, applicants may re-apply in the event an application is unsuccessful.

4. *Will there be an opportunity to receive feedback on an application?*

MassCEC may provide feedback on unsuccessful applications; however, the ability to provide feedback will depend on staff resources.

5. *Can applicants submit proposals of varying grant amounts?*

Our understanding of the question is that it is asking whether applicants can submit multiple applications per round for different projects and request different amounts of funding. If that understanding is correct, we would encourage potential applicants to submit one application that describes all potential scopes that the applicant wishes to have considered for funding. If awarded, MassCEC may choose to fund part or all of the proposed scope.

6. *How should potential applicants determine which type of eligible sub-awardee they are?*

As noted in Section IV of the Draft Program Guidelines,⁴ eligible sub-awardees include:

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

DOE has not provided definitions of these sub-awardee categories. Applicants may self-define into the category that best fits their operations. If you wish to apply under the “any other relevant entity” category that would need DOE Secretary approval, please contact grid@masscec.com.

7. *How should applicants determine their expected cost match?*

The DOE has determined the following criteria for sub-awardee cost-match:⁵

⁴<https://www.masscec.com/sites/default/files/documents/40101d%20DRAFT%20Program%20Guidelines%20Updated%2012-28-23.pdf>

⁵ Pg 40, 40101(d) Draft Program Guidelines: https://netl.doe.gov/sites/default/files/2024-02/40101d%20Frequently%20Asked%20Questions%20Updated%20combined%2001-24-24_Final.pdf

- If an applicant **does not sell energy**, the cost match is 100%.
- If an applicant **sells energy, and annual energy sales are less than 4,000,000 MWh**, the cost match is 33%.
- If an applicant **sells energy, and annual energy sales exceed 4,000,000 MWh**, the cost match is 100%.

Please see Section IV of the Draft Program Guidelines for further information regarding sub-awardee cost-match.⁶

8. *Can applicants receive confirmation of eligibility and expected cost match before submitting an application?*

Potential applicants may submit a request to confirm eligibility and expected cost match to MassCEC before submitting an application. MassCEC will then send the information provided to DOE for their initial determination; however, DOE cannot guarantee a response or a final answer before applications are received and/or before MassCEC recommends subawards to DOE.

Respondent 2:

9. *What are we going to do with the nuclear waste, or the dangerous lithium batteries?*

This topic is outside of the scope of the current funding opportunity.

10. *Could we develop small town bio-medical on-line support centers providing Safety Complex additions to Town Halls or Police Stations, with solar and electric storage capacity, and an electric vehicle that can serve as emergency ambulance service, (and/or a place to plug in a small electric school bus, which could, in off hours provide regular local bus service for elders)?*

Aspects of the ideas proposed in this question are potentially examples of resilience projects that may fall into purview of this funding opportunity. Please note that municipalities, community-based organizations, and private entities would need to partner with an eligible subrecipient to execute such a project under this funding opportunity.

Respondent 3:

11. *What is the EIA dataset?*

Electricity sales are used to determine a) the percentage of funding required to be made available to small utilities per DOE guidelines, and b) the required cost match for sub-

6

awardees under this program. Please see question 7 for more information regarding cost match. The U.S. Energy Information Administration (EIA) dataset used by DOE is generated from a survey of U.S. electric utilities (see: <https://www.eia.gov/electricity/data/eia861/>). As noted in Section IV of the Draft Program Guidelines, MassCEC will use the EIA dataset, per DOE guidance, to determine the small utility set-aside and cost match for eligible subawardees.⁷

Respondent 4:

12. *Can multiple utilities apply for a joint project that would benefit each utility through the creation of resilient interties and smart grid technology? Examples could be distribution grid interties and automation to swap over during outage events.*

This type of project may conform with the categories of eligible investments in Section IV of the Draft Program Guidelines.⁸

13. *For the deployment of smart grid technologies such as an outage management system, SCADA controlled devices or other smart grid technologies, can multiple utilities apply for grant funding of equipment to be deployed over multiple service territories across the state?*

This type of project may conform with the categories of eligible investments in Section IV of the Draft Program Guidelines.⁹ Further, DOE has stated that “[i]t may be possible for an organization or association with members that are considered eligible entities as defined in BIL Section 40101 to be considered an eligible entity.”¹⁰

14. *Under joint applications how will applicants be considered relative to the small utility cost share (less than 4,000,000 MWh)? If, for example, three municipal utilities apply and their aggregate total sales are above 4,000,000 MWh, would the grant share cover 50%/50% of project costs or 33%/66% as each individual utility’s annual sales are under 4,000,000 MWh?*

If each entity applying as part of the joint application sells less than 4,000,000 MWh annually, the cost match for the project is 33%. If at least one entity included in the joint application sells more than 4,000,000 MWh, the cost match for the project would be

⁷<https://www.masscec.com/sites/default/files/documents/40101d%20DRAFT%20Program%20Guidelines%20Updated%2012-28-23.pdf>

⁸ Ibid

⁹ Ibid

¹⁰ Please see pp. 28-29 of the 40101d FAQ document published by DOE:

https://netl.doe.gov/sites/default/files/2024-02/40101d%20Frequently%20Asked%20Questions%20Updated%20combined%2001-24-24_Final.pdf

100%. Please see pp. 28-29 of the 40101d FAQ document published by DOE for more details.¹¹

Respondent 5:

15. *The narrative linked in the feedback form appears to identify that eligible projects might include solar + storage microgrid projects but the draft guidelines appear to indicate that electric generating facilities are not allowed. Could you clarify if you are anticipating that solar + storage projects could receive funding directly through this opportunity?*

The Department of Energy states “IIJA Section 40101(e)(2)(A) prohibits eligible entities from using grant funds to construct any new electric generating facilities or any large-scale battery storage facility that is not used for enhancing system adaptive capacity during a disruptive event”¹². Storage could be connected to existing generation, or new generation could be financed through an alternate mechanism. Please note that MassCEC does not have a funding opportunity for new generation at this time. Please refer to Section IV of the Draft Program Guidelines for a list of eligible funding uses.¹³

16. *Can you clarify if you are anticipating the prime recipient of these funds to be utilities? It’s not entirely clear which entities municipalities could connect with to establish partnerships outside of utilities.*

As noted in section IV of the Draft Program Guidelines¹⁴, eligible sub-awardees include the following entity types:

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

If you wish to apply under the “any other relevant entity” category that would need DOE Secretary approval, please contact grid@masscec.com.

Respondent 6:

¹¹ https://netl.doe.gov/sites/default/files/2024-02/40101d%20Frequently%20Asked%20Questions%20Updated%20combined%2001-24-24_Final.pdf

¹² Pg 16, 40101d Frequently Asked Questions: https://netl.doe.gov/sites/default/files/2024-02/40101d%20Frequently%20Asked%20Questions%20Updated%20combined%2001-24-24_Final.pdf

¹³ <https://www.masscec.com/sites/default/files/documents/40101d%20DRAFT%20Program%20Guidelines%20Updated%2012-28-23.pdf>

¹⁴ Ibid

17. Can cost share come from a 3rd party source?

Yes, cost share can come from a third-party source provided that it does not come from another federal grant. Please submit a letter from the third party guaranteeing their commitment to providing cost match with your application.

18. Does all cost share have to be cash?

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.