Bipartisan Infrastructure Law - SECTION 40101(d)

PREVENTING OUTAGES AND ENHANCING THE RESILIENCE OF THE ELECTRIC GRID

**Program Narrative**

The Program Narrative is provided by [Applicant Name] as part of the application for funding under the U.S. Department of Energy’s IIJA Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grant Program.

Alaska is unique for many reasons, including geographic isolation, extreme seasons and weather, and unique tribal governance and management structures. Most tribal communities in Alaska are served by islanded microgrids with unique operational and management concerns, including limited access to fuel(s), challenging-to-manage electric demand and generation, and challenges related to operations and maintenance of this critical infrastructure in small communities with limited capacity in an often remote and environmentally harsh setting. Many communities operate their own electric utility through the local city or tribal government, and/or work with partners such as member-owned electric cooperatives to provide the most reliable electric service possible. The service delivery method often relies on cooperation and collaboration with partners across Alaska, including federally recognized tribes, ANCSA village and regional Alaska Native Corporations, ANCSA regional non-profit corporations, private companies, local municipal governments, regional borough governments, and state government departments and agencies like the Alaska Energy Authority. To prepare for and deploy funding under DE-FOA-0002736, we will work with our partners to identify appropriate projects, evaluate them by the provisional objectives, criteria, and process identified in this document, and follow program requirements to receive approval for, implement, and monitor grid resiliency projects. [\**For Consortium applications by Lead Applicant only:* Resilience objectives will benefit all participating consortium tribes. Consortium member tribes will participate in decisions regarding use of grant funds.]

1. **Objectives and Metrics:**

The Tribe/Alaska Native Corporation/Consortium has established the following provisional objectives and supporting metrics to guide decisions involving resilience investments made in conjunction with this grant. We anticipate evaluating projects using these metrics, however, additional objectives, goals, and metrics may be identified as more appropriate and used during the project’s period of performance.

**Objective #1: Advance Energy Justice through Reliability**

Address energy burden experienced by low-income tribal members and disruptions to electricity service occurring within the region by providing a more reliable electricity service. Reduce outage risks and restoration and recovery time following outages. Burdens are caused by frequent and long-duration power outages resulting from inadequate fuel supply, electricity generation, transmission, and distribution infrastructure, as well as from difficulty managing electricity demand and generation in small, rural, islanded microgrids facing harsh arctic and subarctic environmental conditions.

**Metrics (Provisional):**

* Number of outages of one hour or more occurring annually will be measured.
* Hours of downtime from electrical outages will be measured.

**Objective #2: Critical Community Facility Resilience to Disruptive Events**

Ensure that critical community facilities serving the Tribe/ANC’s members are not impacted by events such as extreme weather, natural disaster, or other conditions causing disruption to normal grid operations. Critical facilities can include rural health care facilities, transportation networks including airports and maritime ports, emergency service facilities, water supply and treatment facilities, communications networks, and community buildings, and other public facilities.

**Metrics (Provisional):**

* Frequency (occurrences per year) of electricity service disruptions of one hour or more to critical facilities
* Number of hours/days critical facilities are closed due to lack of electricity
* Number of workers trained to operate and maintain the resilience project once completed

**Objective #3: Operational Excellence – Build Capacity and Implement Maintenance Plan**

Ensure proper utility asset management through preventative maintenance plan development and execution. Improve operational capacity through training for utility managers, clerks and operators.

**Metrics (Provisional):**

* Create and implement Preventative Maintenance Plan
* Number of grid resilience training hours completed by operators, managers, and clerks
* Number of Tribal/ANC/Consortium members trained to operate and maintain grid resilience projects

**Objective #4: Infrastructure Upgrades**Address other outdated and/or failing energy infrastructure items and materials (i.e., power lines, power poles, transformers, bucket trucks, etc.) serving the Tribal/ANC/Consortium communities. These outdated and/or failing items and materials add to the volatility of the electric grid infrastructure and to the frequency of power outages and infrastructure failures experienced by the community.

# Metrics (Provisional):

* + Monitor frequency of infrastructure upgrades
  + Number of components and systems replaced, installed, or hardened
  + Average age of item and/or material used in current electric grid operation (by category)
  + Depreciation value of item and/or material used in current electric grid operation
  + Added value to the electric grid infrastructure through addition of more modern and efficient materials and systems

**Objective #5: Modernize and Evolve the Grid**Invest in modernization of the grid infrastructure, reducing maintenance and operations costs, in conjunction with clean energy and decarbonization solutions that align with the Justice40 Initiative when possible. This evolution of the grid infrastructure will also create new, good-paying employment opportunities and empower the Tribe/ANC/Consortium to diversify their energy systems moving forward.

# Metrics (Provisional):

* + Number of jobs created following the investment in modernizing the grid infrastructure.
  + Number of training programs developed to advance the workforce in communities within the ANCSA region.

1. **Criteria:**

The Tribe/ANC/Consortium will use its internal management and leadership, including elected officials, executives, and partners, to identify and assess potential resilience projects for subaward to eligible entities. Top priority will be given to resilience projects that:

* benefit the most Tribal/ANC/Consortium members,
* best serve low-income and energy-burdened Tribal/ANC/Consortium members,
* most improve local capacity through training and/or retention of our electric utility workforce or support roles (electricians, PCE clerks, utility bookkeepers, diesel technicians, etc.),
* best advance economic vitality through creating or sustaining good-paying jobs and generating opportunities for new economic development,
* improve local electric grid infrastructure in ways that reduce the likelihood and consequences of disruptive events, and
* addresses any specific disruptive event that is identified as having significant impacts to the region.

The development and selection of grid resilience projects will be done in consultation, as feasible, with our the Tribe’s/ANC’s/Consortium’s membership and the community(-ies) where projects will occur to facilitate an open and inclusive process.

The Tribe/ANC/Consortium is served by one or more small rural electric utilities and cooperatives that each sell less than 4,000,000 megawatt hours of electricity per year. Projects that involve improvements to the grid infrastructure owned by these utilities will be implemented in partnership with them. We would expect the utilities or any other willing third party to contribute the required 1/3 cost match required for small utilities as subrecipients.

The percentage made available via subaward to eligible entities that sell not more than 4,000,000 megawatt hours of electricity per year will not be less than the percentage of all customers in the Indian Tribe that are served by those eligible entities.

1. **Methods**

The Tribe/ANC/Consortium will use the following methods for soliciting, awarding, and distributing funds:

* Sole Source Contracts and/or Direct Awards to eligible sub awardees
* Competitive Solicitations
* Simplified Acquisition Procedures for contracts under $250,000
* Micro-Purchases up to $50,000 in accordance with 2 CFR § 200.320
* Small Purchases – utilizing small purchase procedures in accordance with 2 CFR § 200.320

We will follow internal procurement policies. Wages in accordance with Davis-Bacon rates will be provided as part of any competitively solicited contract associated with this scope of work. All relevant materials will meet Buy America standards where required. Where possible, we will work to maximize the opportunity for local hire of members and contactors and source materials locally.

The Tribe/ANC/Consortium anticipates partnering with the rural electric utility [or utilities] that serves our members and businesses to implement grid resilience measures. Due to the Tribe’s/ANC’s/Consortium’s limited administrative and technical capacity, we may choose to use part or all of the 5% allowance for technical assistance and administrations costs, as well as our 15% recipient cost match on the Federal allocation to engage a third-party entity to assist with awarding and managing subawards and assisting with grant administration on our behalf. This administrative allowance will also be used to help collect data from awardees and report as directed by DOE on the progress and impact of funded projects to stakeholders and the public.

1. **Funding Distribution**

The Tribe/ANC/Consortium anticipates satisfying the 15 percent applicant match requirement by exploring a variety of potential sources, including coverage by permissible funding sources, third-party entities (to potentially include but not be limited to the eligible entity), or using in-kind or cash contributions associated with technical and administration expenses incurred by the grant recipient. The technical and administration costs include personnel expenses and fringe related to project management, accounting, grant reporting, and grant administration.

The Tribe/ANC/Consortium anticipates partnering with a rural utility that sells less than 4,000,000 megawatt hours of electricity per year to customers within our community or region. Accordingly, the cost match requirement for a qualifying small utility is 1/3 of the Federal share of the cost of that project. It is anticipated that the match will be provided through cash or in-kind contributions in accordance with grant requirements. This will be verified when projects are planned, and sub-agreements are negotiated.

We may request subawards to relevant entities in our community depending upon who is most capable and appropriate of carrying out eligible identified projects to include the local City government, Electric Utility, Borough regional government, ANCSA village corporation, and regional ANCSA non-profit. Each of these entities may be a partner of our and depending upon the project may be best suited to carry out the work to increase the resilience of our electrical grid and benefit our tribal members.

1. **Equity Approach**

It is important that all community members have access to affordable and reliable electricity service. It is also important that none of our community members bear a disproportionately high burden for electricity service in terms of rates or environmental and social impacts from the energy infrastructure. Accordingly, the Tribe/ANC/Consortium will ensure that all projects are planned and implemented in a manner that promotes fairness to all of its members and neighboring communities. The stated objective of improving resilience of critical facilities is of most importance to low-income and under-served communities and members. They rely on services provided at these facilities for health care, emergency shelter, elderly care, and other essential services, including transportation to obtain them. When these facilities are inoperable due to disruptions to electricity service, essential services are either not available, travel infrastructure to obtain them is disrupted, or require excessive travel costs to obtain. These facilities also provide life-saving services, which when disrupted, could have life-threatening consequences. We plan to prioritize projects that provide the greatest impact to the most people relying on those services.

The Tribe/ANC/Consortium will aim to incorporate quality jobs, community benefits, and diversity, equity, inclusion, and accessibility by prioritizing projects for selection that meet one or more of the following criteria:

* (Quality Jobs) Our projects will include efforts to attract, train, or retain a skilled workforce including but not limited to electricians, power plant operators, diesel mechanics, electrical lineworkers, and utility clerks. We will adhere to all terms and conditions of the grant agreement including those that pertain to wages, American-made products, and a free and fair choice to join or form a union. Training opportunities will be incorporated into these resilience projects to obtain grid resilience project education and certification(s), thereby supporting our economy through promoting a well-trained workforce. Having a well-trained workforce will ensure the long-term viability of the electric grid infrastructure and its components.
* (Quality Jobs) The project includes workforce opportunities in communities that have lost jobs due to the displacements of fossil energy jobs. Oil and gas companies in Alaska cut more than 3,000 workers during the COVID-19 pandemic, nearly one third of that workforce, and while some rebound has occurred, there is still a net job loss of nearly 2,100 workers within that industry across Alaska.
* (Community Benefits) In comparison to other projects considered, the selected resilience projects should demonstrate a higher community benefit in reducing the likelihood and consequences of disruptive events. Considerations will include but are not limited to the ability of the project to reduce and prevent outages, reduce time taken to restore power, improve overall operational performance of the utility, reduce line loss, increase adoption of preventative maintenance procedures (including mechanisms for oversight and accountability), and improve electricity affordability in an effort to reduce power shut-offs to low-income users.

The stated objective of improving resilience of critical facilities is of most importance to low-income and under-served communities and community members. They rely on services provided at these facilities for health care, emergency shelter, elder care, and other essential services. When these facilities are inoperable due to disruptions to electricity service, essential services are either not available or require excessive travel and cost to obtain. These facilities also provide life-saving services, which when disrupted, could have life-threatening consequences. The Tribe/ANC/Consortium will aim to prioritize projects that provide the greatest impact to the most people relying on those services.

Additionally, the Tribe/ANC/Consortium will make determinations for the projects to be selected for funding by considering the current highest needs as they relate to the electric grid, whether that be infrastructure, human capacity, assistance in identifying difficult-to-understand weaknesses and threats, or other areas. The goal will be to select projects that directly respond to the most urgent threats and needs as it relates to creating a resilient electric grid that is hardened against disruptive events. Currently, the applicant is not otherwise engaged in resilience planning related to our electric or grid related infrastructure.

* (Diversity, Equity, Inclusion and Accessibility) Tribal/ANC/Consortium members fall within DOE’s focus area as being a historically underserved population and a racial minority. We will prioritize projects that reach historically underserved populations and racial minorities, being those Alaska Native households that reside in communities within our ANCSA region. The Tribe/ANC/Consortium will also prioritize projects that increase resilience of critical facilities that serve these underserved and minority individuals. During resilience project implementation, we will aim to engage local residents, workers, and community leadership throughout the project’s duration in order to maximize project benefits to underserved populations and racial minorities through DEIA efforts.

1. **Technical Assistance and Administration**

The Tribe/ANC/Consortium will make use of the five percent allowance of the Federal Allocation available for administration and technical assistance. The Tribe/ANC/Consortium may also meet the 15 percent cost match of the Federal allocation via administration and technical assistance. The Tribe/ANC/Consortium may either use our staff or a third-party to provide project management, accounting, grant reporting and grant administration. Examples of specific administrative requirements related to this grant opportunity will include:

* + Preparing and publicizing the solicitation for subaward,
  + Preparation and submission of Resilience Project Package for DOE review and approval,
  + Weekly collection/submission of payroll documents,
  + Quarterly reporting documents (including collecting data from the sub awardee) and
  + Annual allocation requests for continued grant funding.

1. **Public Notice and Hearing**

Notice of a public hearing was released on [Date], 2024, via our email list, and [Any other means of advertisement, e.g social media platforms, newspaper, physical posting]. Personal messages were sent to key stakeholders with a request to share the Notice with any/all of their relevant contacts. The Notice of Public Hearing is provided as Attachment 01 to this Program Narrative.

The Public Hearing was held on [Date], 2024 ([Time], AKDT) [in person/via Zoom, Teams, etc.] The hearing was offered virtually for those wanting to participate but not able to physically attend. The hearing was attended by [ ] individuals:

We shared the provisional objectives and associated metrics with the attendees and included discussion on a multi-year resiliency plan. The draft criteria listed above were shared and discussed with attendees. We also shared the desired outcomes and plan to meet cost match requirements for the program. We agreed to conduct another public notice and hearing once the grant is awarded and specific projects are considered in accordance with the stated objectives of this Program Narrative.

**\*[Include PDF or Screenshot of email invitation/notice/flyer for public hearing below:]**