

# Stakeholder Briefing: Proposed IIJA Section 40101(d) Plan

August 30, 2022

# Strategic Approach

- HSEO's approach to resiliency investments
  - FEMA Community Lifelines
- Energy Security Plans (ESP) and State and County Hazard Mitigation Plans (HMP): Response and Investment
  - 40101(d) is an opportunity for alignment
- Hawaii's 40101(d) Plan and Hazard Mitigation Grant Program (HMGP) Advance Assistance grant
  - Aligning FEMA and DOE Planning and Investments

# FEMA's Community Lifelines



- FEMA's National Response Framework has 15 Emergency Support Functions (ESFs)
- Of the 15 ESFs there are 7 Community Lifelines which includes energy
- Community Lifelines are the most fundamental services in the community that, when stabilized, enable all other aspects of society to function.
- Energy is the enabling Community Lifeline as it enables all of the other ESFs to stabilize a community and rapidly recover from an event

# ESP and HMP – Planning and Investment

HSEO is using the HMGP Advance Assistance grant to inform project evaluation under IIJA 40101(d) and to update the State's ESP for projects and strategies.

By doing so HSEO is:

- Planning: aligning the State's ESP under the DOE with the energy components of state and county HMPs under FEMA.
- Investment: aligning evaluation criteria for federal investments in resiliency under IIJA 40101(d) and FEMA's BRIC program

DOE Guidance on updated Energy Security Plans include a desire that the Energy Resiliency & Hazard Mitigation section include a tie to IIJA Section 40101 per the STATE ENERGY SECURITY PLAN GUIDANCE (page 4).

# Hawaii's 40101(d) Plan and HMGP Advance Assistance grant

## 40101(d)

**DOE Purpose:** Includes updating ESP to account for how resilience investments are prioritized

**HSEO Objectives:** Focus on building energy resiliency for community lifeline services

**Evaluation Criteria:** Borrow elements of the 40101(d) guidance, BRIC grant evaluation criteria, and AA stakeholder input.

## HMGP Advance Assistance

**FEMA Purpose:** Identify resiliency investments and strategies for inclusion in state and county HMPs

**HSEO Objectives:** A resiliency investment pipeline developed through a holistic perspective of Hawaii's energy supply chain focused on community lifelines.

**Grant Outcomes:** generate relevant data to address evaluation criteria for investment opportunities such as BRIC (which informs the 40101(d) criteria)

# 40101(d) and Hawaii's Proposed Plan

- What is IIJA (same as BIL) Section 40101(d)?
- Hawaii's Proposed Plan
- Questions or comments

# What is IIJA Section 40101(d)?

- Title: Preventing Outages and Enhancing the Resilience of the Electric Grid
- Intent/Goals
  - Demonstrate measurable improvements in energy resilience to all hazards and mitigate climate-related risk
  - Invest in modernized grid infrastructure that can enable the consumer access to lower-cost energy and accommodate increased electrification, increased penetrations of variable renewable electricity and DER, and other evolving system needs
  - Invest in clean energy and decarbonization solutions to achieve a carbon-free power sector by 2035 and net-zero greenhouse emissions economy-wide by 2050
  - Create good-paying jobs with the free and fair choice to join a union

# What is IIJA Section 40101(d)?

- Administered by US Department of Energy
- \$2.5B formula/\$2.5B competitive
- Under the formula, Hawaii to receive roughly \$3M annually for the next five years
- HSEO has been designated the sole entity for the state of Hawaii to apply for, receive, and distribute these formula funds
- Applicants must develop a plan including objectives, criteria, and metrics and share this in a public session.
  - Must address Justice40 and strong labor standards.
- Plans are due to US DOE by September 30, 2022
- States must match 15%. This can be passed on to the subgrantee.



# Other Grid-Related IIJA Funding

Program Name	Funding Amount	Next Milestones
Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency (Sec. 40103(b) Innovative Grid Resilience Program)	\$5 Billion	RFI/draft FOA expected to be released in Summer 2022
Deployment of Technologies to Enhance Grid Flexibility (Sec. 40107 Smart Grid Grants)	\$3 Billion	RFI/draft FOA expected to be released in Summer 2022
Preventing Outages and Enhancing the Resilience of the Electric Grid (Sec. 40101 Grid Resiliency Grants) Competitive	\$2.5 Billion	RFI/draft FOA for utilities and industry competitive program expected to be released in Summer 2022

The entirety of the Infrastructure Investment and Jobs Act, Public Law 117-58, is available at:

<https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.htm>

# Entities Eligible for 40101(d) Subawards

- Electric grid operators
- Electricity storage operators
- Electricity generators
- Transmission owners and operators
- Distribution providers
- Fuel suppliers

# Subgrantees

- Subgrantee cost match is at least 100% of the amount of the subgrant
- If subgrantee sells less than 4M MWh of electricity, it is considered a small utility and the minimum match is 1/3 of the award.
- Buy America requirement

# Eligible Project Types

- Utility pole management
- Hardening of power lines, facilities, substations, of 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

# Eligible Project Types

- 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 components
- Adaptive protection technologies
- Advanced modeling technologies

# Eligible Project Types

- Project must mitigate a disruptive event, which is “an event in which operations of the electric grid are disrupted, preventively shut off, or cannot operate safely due to extreme weather, wildfire, or a natural disaster.”
- Funding may also be used for the training, recruitment, retention, and reskilling of skilled and properly credentialed workers in order to perform work required for eligible activities.

# Ineligible Project Types

- Cybersecurity
- Construction of new electric generating facility or large-scale battery-storage facility that is not used for enhancing system adaptive capacity during disruptive events

# Five-Year Plan

- Hawaii will leverage ongoing and future work to develop localized objectives, criteria, and metrics and an equitable framework for distributing funding statewide.
  - Current *Advance Assistance project* focuses on Oahu
    - Years 1 & 2: Oahu
  - Future funding is being pursued to carry out similar analyses for each county.
    - Years 3-5: Kauai, Maui, Hawaii



# Year 1 Plan: Oahu

- Leverage *Advance Assistance* project
  - Outreach to Community Lifeline Key Customers (CLKC)
  - Inventory, map, and identify interdependencies of CEI and CLKC
  - Hazard/threat assessment
  - Vulnerability, consequence, and risk analyses
  - Energy hazard mitigation project identification
  - Criteria for prioritizing projects
  - Estimated completion Spring 2023
- Use *Advance Assistance* to inform:
  - Objectives
  - Metrics
  - Selection criteria

# Year 1 Plan: Oahu

- Other sources considered:
  - US DOE 40101(d) Guidance
  - FEMA BRIC
  - DHS Infrastructure Resilience Planning Framework
  - Hawaii Clean Energy Initiative
  - Hawaii Strategic Energy Plan
  - State of Hawaii Hazard Mitigation Plan
  - City and County of Honolulu Multi-Hazard Pre-Disaster Mitigation Plan
  - FEMA Strategic Plan
- Identified overlap and similarities between program and planning guidance to develop Year 1 preliminary objectives, metrics, and criteria

# Preliminary Objectives and Metrics

- Requirement: 3-5 objectives, must address equity and jobs
- **Objective #1: Mitigate threats/hazards to protect community lifelines** (BRIC, DHS IRPF, HI HMP, C&C MHPDMP)
  - Facilities providing community lifeline services made more resilient
  - Residents served by facilities made more resilient
  - Threats/hazards mitigated against
- **Objective #2: Deploy projects that benefit disadvantaged communities** (Justice40, 40101(d), BRIC, FEMA Strategic Plan)
  - Disadvantaged communities benefitting from project
  - Population of disadvantaged communities benefitting from project

# Preliminary Objectives and Metrics

- **Objective #3: Invest in modernized grid infrastructure that promotes clean energy technologies that create good-paying jobs with access to training and a union (40101(d), FEMA, HCEI)**
  - Jobs created
  - Jobs maintained after construction
  - Percentage of jobs that are union
  - Jobs in disadvantaged communities
- **Objective #4: Invest in projects with highest likelihood of implementation (BRIC, HI HMP)**
  - Projects specifically identified in an Advance Assistance project
  - Projects deploying mitigation strategies identified in the Advance Assistance project
  - Private investment put toward projects as a percentage of total investment
  - Projects with partners



# Preliminary Selection Criteria

- Criteria #1: Project mitigates threats/hazards to protect community lifelines (BRIC, DHS IRPF)
- Criteria #2: Project benefits disadvantaged communities in a measurable way and engages community leadership and residents through duration of project (Justice 40, 40101(d), BRIC)
- Criteria #3: Project utilizes local skilled labor for construction and ongoing work, offers training, union membership, with a focus on disadvantaged communities (40101(d), DHS IRPF)
- Criteria #4: Project or project strategy identified in Advance Assistance (40101(d), BRIC)
- Criteria #5: Project leverages local partnerships (BRIC)
- Criteria #6: Project has increased cost share from subrecipient (BRIC)

# Methods

- HSEO intends to issue a competitive solicitation for project proposals.
- Late 2022/Early 2023 pending US DOE approval of plan and allocation of funding to states.

Thank you.

Please submit any feedback/comments at the following link:

<https://energy.hawaii.gov/40101d-comment-form>

Form closes September 13, 2022

