

# Bipartisan Infrastructure Law - SECTION 40101(d)

## PREVENTING OUTAGES AND ENHANCING THE RESILIENCE OF THE ELECTRIC GRID

### State of North Carolina

## Program Narrative Overview

Under the Grid Resilience Formula Grant Program through Section 40101(d) of the Infrastructure Investment and Jobs Act (IIJA), the U.S. Department of Energy (DOE) will provide an estimated \$2.3 billion in formula grants to States and Indian Tribes (eligible applicants) to improve the resilience of the electric grid against disruptive events. The North Carolina Department of Environmental Quality's (NC DEQs) State Energy Office (SEO) will administer funding to subawardees, an estimated value of \$9.2 million annually for the next five years.

This program narrative overview outlines a brief description of North Carolina’s plan to implement this Program, including developing objectives and metrics that: address resilience against all-hazards including mitigating climate-related risk, economic development, and advancing energy justice; describe the criteria and methods on sub-awarding funds to eligible entities; and propose funding distributions. Program objectives, metrics, and criteria are based on the North Carolina Clean Energy Plan (CEP).

A summary table of the provisional objectives and metrics that North Carolina will use as guidance to fund DOE resiliency projects is below:

**Table 2.** Provisional Objectives and Metrics for Project Proposals

<b>Objective 1. Grid Modernization.</b> Addition of grid technologies that strengthen resilience and increase the flexibility of the grid.	Type of hazard addressed
	Number of projects funded by measure type
	Number and type of critical infrastructure supported
	Number and type of projects located in areas with frequent energy disruptions
	Frequency of outages, including but not limited to: Customer Average Interruption Duration Index (CAIDI), Customers Experiencing Multiple Interruptions (CEMI), and Long Interruption Durations (CELID)
	Number of consumers anticipated to benefit from the project, including low-income customers
	Number of workers trained to operate and maintain the resilience project once completed
<b>Objective 2. Equitable Access to Resilient &amp; Reliable Energy.</b> Projects that will improve energy reliability and resiliency in disadvantaged communities, which are more impacted by	Number and size (MWh) of community resilience infrastructure deployed in DACs
	Number of DACs in project area and percent of LMI households within the project area
	Estimated dollars saved [\$] in energy expenditures due to resilient technology adoption in DACs
	Frequency (occurrences per year) pf electricity service disruptions of one hour or more to DACs

outages and subject to higher energy burdens.	Number and type of weather events resulting in outages (hurricanes, floods, and extreme temperature conditions) in project area over the last 5 years
	Impacts on surface water, groundwater, and soil in DACs
	Number and type of critical facilities receiving improved ability to provide services without grid power
	Number of hours/days critical facilities are closed due to lack of electricity
<b>Objective 3. Equitable Workforce Development.</b> Commitment to equitable workforce development through projects that will attract, train, and retain an appropriately skilled workforce.	Number of anticipated jobs with living wages and benefits created due to proposed project
	Percentage of underserved and underrepresented workers trained for the proposed project
	Number of clean energy and energy efficiency apprenticeship and pre-apprenticeship trainees working on proposed project
	Percent of contracted or minority-owned industries and businesses used by the project, including companies where resources are purchased
	Number of apprentices retained for long-term hire

DOE’s funding allocation to North Carolina is estimated at \$46.1M over five years.

- Not less than 31% of NC’s award (\$14.29M) will be eligible to entities that sell less than or equal to 4,000,000 megawatt hours of electricity per year.
- Approximately 31% of NC utility customers are served by small utilities, such as electric membership corporations and municipally owned utilities within the state.
- Small utilities that apply for an award must certify the electricity sold over the past 5 years, and the average electricity sold must be not more than 4,000,000 megawatt hours.

The NC SEO plans to coordinate public outreach opportunities to energy industry stakeholders as well as a range of other organizations (environmental, equity, and community-based, etc.). Grant solicitations and award information will be released publicly through announcements including press releases, posting of information on North Carolina’s SEO website, and a listserv that any member of the public or stakeholder can sign up for on North Carolina’s SEO website. The State anticipates using a combination of competitive solicitations, direct awards, and financial instruments to award the funds and they will be distributed to subrecipients through contracts meeting criteria and priorities established in the solicitation.

While all who may be eligible under Section 40101(d) can apply, the North Carolina SEO will prioritize entities that directly provide resilient electricity to the public and offer the greatest community benefit as outlined in this tentative program narrative. Per federal requirements, eligible entities for grid infrastructure and resilience subgrants include:

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

*The North Carolina State Energy Office (NC SEO) will utilize up to five percent of federal grant funds in support of technical assistance and project administration efforts. These funds will go toward ensuring all reporting requirements associated with the funding are met, including all financial and contractual obligations associated with receipt of the funds.*