Bipartisan Infrastructure Law - **Section 40101(d)**

**Preventing Outages and Enhancing the Resilience of the Electric Grid**

**State of Indiana**

**[DATE]**

**DRAFT Program Narrative**

**Strawman Draft Editing Guidance**

* This Word document is considered a draft for public discussion purposes—it does not necessarily contain final information or content, and all information or data is considered preliminary.
* The flow of this document comes from the U.S. Department of Energy’s Program Narrative template. The text in red are the instructions provided by the U.S. Department of Energy for information that should be included in each section—please do not edit this text.
* We encourage you to edit any of the black text using the “Track Changes” feature. You can find that feature in Microsoft Word under the “Review” tab and click “Track Changes” to toggle the feature. If you do not use Tracked Changes, it raises the chance OED staff may miss some edits.
* For any questions or feedback that are not redlined, you may use the comments feature. In Microsoft Word, this is also under the “Review” tab. Please try to highlight the text associated with your comments for easier understanding by Indiana Office of Energy Development (OED) staff.
* Please submit your comments, questions, and/or edited document in Word format via email to [grants@oed.in.gov](mailto:grants@oed.in.gov) **by close of business August 23, 2022**. **Please use “Grid Resilience Program” and your entity name in the email subject line.**
* Please include your name, email address, and organization (if representing one) when submitting comments or feedback in the event OED staff may need to reach out regarding your edits or feedback.

**Overview**

The Grid Resilience Grant Program, funded through Section 40101(d) of the Infrastructure Investment and Jobs Act (IIJA), will be administered through the Indiana Office of Energy Development (Indiana OED), the Governor-designated state energy office. This program provides $2.5 billion in formula grants to states and tribes for the purpose of improving the all-hazards resilience of electric grids. Under this U.S. Department of Energy (DOE) formula program, Indiana is estimated to receive approximately $4.6 million annually for the next five years.

Indiana will focus on building upon existing efforts throughout the state and supplement existing funding in order to improve the electric grid infrastructure, particularly as it relates to the ability to withstand and recover from potential disruptions.

This program narrative outlines Indiana’s plan to implement this program, including the objectives and intended outcomes of the program, the methods and criteria on sub-awarding funds to eligible entities, as well as the distribution of funding. This plan is in alignment with the program narrative requirements as provided by the U.S. Department of Energy’s (DOE) Administrative and Legal Requirements Document.[[1]](#footnote-2)

*Indiana’s electricity landscape*

Indiana lies just west of the Appalachian Mountains and extends 270 miles south from Lake Michigan to the Ohio River. Although Indiana is not a large state, it has a varied climate. In the north, Indiana experiences lake-effect snows and winds off Lake Michigan. In the south, the hilly terrain creates localized weather variations. The weather statewide is influenced by the interplay of polar air moving south from Canada and warm, moist air moving north from the Gulf of Mexico. Indiana's winters can be bitterly cold, spring weather often includes tornadoes, and some summer days have very high humidity and heat. In part because of those weather extremes, Indiana ranks 12th among the states in total energy use per capita. The industrial sector is the state's largest energy-consuming sector, and it accounts for almost half of the state's total energy consumption. In addition to motor vehicle and trailer manufacturing, Indiana's industries include energy-intensive chemical, petroleum, and primary metal manufacturing. The transportation sector is the second-largest energy consumer among Indiana's end-use sectors, followed closely by the residential sector. Those two sectors each account for about one-fifth of the state's energy use. The commercial sector uses the rest. Overall, Indiana is an energy importer, consuming almost three times as much energy as is produced.[[2]](#footnote-3)

Although the majority of Indiana’s electricity needs are met through coal-fired, natural gas-fired, and nuclear generation[[3]](#footnote-4) at utility-owned facilities, wind and other renewable energy sources are increasingly contributing to the generation of electricity consumed in the state. Indiana’s generation transition has significantly increased, leading to a more diversified generation fuel mix.

*Indiana’s Electric Generation Mix[[4]](#footnote-5)*

|  |  |  |
| --- | --- | --- |
| **Generation Source** | **2011** | **2020 (est.)** |
| Coal | 77.7% | 47.3% |
| Nuclear | 8.9% | 11.1% |
| Natural Gas | 7.5% | 31.7% |
| Wind | 2.5% | 6.5% |
| Solar | 0.0% | 0.4% |
| Other fuels | 3.5% | 3.1% |

1. **Objectives and Metrics:**

*List 3-5 objectives that the applicant intends to apply for guiding their resilience investment decisions. The intent of this section of the Program Narrative is to ultimately develop a planning framework for resilience to address all-hazards including future climate implications. The first year, DOE is seeking input on criteria for determining investment decisions.* *At a minimum, the objectives and metrics should address:*

* 1. *resilience and energy justice concerns, including reducing the frequency and duration of outages in disadvantaged communities,*
  2. *how the project will use strong labor standards and protections (including for direct employees, contractors, and sub-contractors), such as through the use of project labor agreements, local hire agreements, and outline of a plan to attract, train, and retain an appropriately skilled workforce (i.e., through registered apprenticeships and other joint labor-management training programs that serve all workers, particularly those underrepresented or historically excluded); plans to partner with a training provider (labor, community college, etc); and the use of an appropriately credentialed workforce (i.e., requirements for appropriate and relevant professional training, certification, and licensure).*

*Provide the metrics that will accompany the objectives to measure outcomes associated with improving resilience, creating good-paying jobs with the free and fair choice to join a union, and advancing energy justice.*

*Indicate whether the objectives and metrics are provisional pending further discussion and consideration by the State or Indian Tribe with its stakeholders. DOE expects that recipients will establish a formal set of objectives and metrics in order to receive Year 2 formula funding. Examples of objectives and metrics, in addition to reporting on any DOE required metrics, and approaches for establishing them are available at:* [*Section 40101(d) Formula Grants to States & Indian Tribes | netl.doe.gov*](https://netl.doe.gov/bilhub/grid-resilience/formula-grants)

The Indiana OED will utilize an all-hazards mitigation approach to guide its decisions in awarding funding to the eligible recipients. This all-hazards approach is informed by the State’s Energy Assurance Plan (EAP), which is an annex to the Indiana Department of Homeland Security’s State Emergency Operations Plan. In the EAP, the Indiana Department of Homeland Security utilizes the Federal Emergency Management Agency’s Threat and Hazard Identification and Risk Assessment (THIRA) guide to develop a comprehensive outlook of Indiana’s electricity sector risk. Alignment with the EAP will ensure critical investments are made to protect from and withstand higher probability threats that are more specific to Indiana’s environment (i.e., tornadoes and severe thunderstorms are a much higher probability to occur in Indiana than a widespread wildfire, for example). This will, in turn, ensure communities are receiving the greatest possible benefits from these investments. The all-hazards threat assessment, as aligned with the State’s Energy Assurance Plan is broadly represented by the table below:

*Indiana’s all-hazards threat assessment[[5]](#footnote-6)*

|  |  |  |
| --- | --- | --- |
| **Hazard Type** | **Annual Hazard Frequency (2009-2019)** | **Annual Property Damage**  **($ million per year)** |
| Thunderstorm & Lightning | 116 | $11 |
| Tornado | 16 | $10 |
| Flood | 54 | $5 |
| Winter Storm & Extreme Cold | 35 | $4 |
| Earthquake | <1 | $0 |

In addition, Indiana OED will ensure the grant funding opportunity supports a foundation for attracting, developing, and maintaining a strong and diverse workforce that includes an opportunity for all Hoosiers, including those that have been historically underrepresented or excluded, to receive high-paying wages in a fair working environment.

Furthermore, all investments under this program should be designed and implemented with the goal of reducing the frequency and duration of customer outages, and ensuring customers have equitable access to a safe, reliable, and affordable electric system.

**Draft Objective 1**: Improve the reliability of Indiana’s electric grid by reducing the frequency and duration of sustained interruptions and the number of customers impacted, especially for customers that experience higher than average frequency and duration of outages.

**Draft Metrics:**

* Number of customers anticipated to be impacted by a proposed investment (both total number and as a percentage of a utility’s total customer base)
* Baseline (e.g., historical) and postulated post-investment data regarding System Average Interruption Frequency Index (SAIFI)[[6]](#footnote-7) for both Major Event Days (MEDs) and non-MEDs
* Baseline (e.g., historical) and postulated post-investment data regarding System Average Interruption Duration Index (SAIDI)[[7]](#footnote-8) for both MEDs and non-MEDs
* Baseline (e.g., historical) and postulated post-investment data regarding Customer Average Interruption Duration Index (CAIDI)[[8]](#footnote-9) for both MEDs and non-MEDs

**Draft Objective 2:** Improve the resilience of Indiana’s electric grid to natural disasters to ensure the availability of power to critical community services, such as public safety, medical, and transportation systems during disasters

**Draft Metrics:**

* Baseline (e.g., historical) and postulated post-investment data regarding cumulative critical customer-hours of outages[[9]](#footnote-10)
* Baseline (e.g., historical) and postulated post-investment data regarding percentage of critical customers that experience an outage
* Baseline (e.g., historical) and postulated post-investment data regarding critical services without power for more than *N* hours (e.g., *N >* hours of back-up fuel requirement)
* Baseline (e.g., historical) and postulated post-investment data regarding time to recovery for critical customers
* Baseline (e.g., historical) and postulated post-investment data regarding utility’s cost of recovery

**Draft Objective 3:** Invest in projects that demonstrate a commitment to attract, train, and retain a diverse, highly skilled, and well-paid workforce.

**Draft Metrics:**

* The number of anticipated jobs or employees working on the proposed project
* A description of the labor standards used for direct employees, contractors, and subcontractors (e.g., project labor agreements, local hire agreements, etc.)
* Average hourly wage or rate by worker type employed on the proposed project
* A description of engagement of potential training partners to support utility-related workforce development efforts, including any efforts to include opportunities for underrepresented or historically excluded workers, and those displaced by the energy transition

[QUESTIONS FOR STAKEHOLDERS TO CONSIDER]

1. What could be reasonable objectives and metrics that can be used to measure or track the impact of the Grid Resilience Grant Program, and how can the goals, objectives, and metrics directly address reliability and resilience planning based on an all-hazards mitigation approach, which is broadly outlined above?

2. What could be reasonable objectives and metrics that can be used to measure or track the impact of the Grid Resilience Grant Program, and how can the goals, objectives, and metrics directly address workforce development opportunities?

3. Are there any additional objectives and metrics that should be considered? How would those tie into and accomplish the objectives of Section 40101(d)?

4. Please provide any additional recommendations that should be addressed in this section to fulfill the requirements of Section 40101(d) and be included in Indiana’s Program Narrative.

1. **Criteria:**

*Describe the criteria used for selecting and determining the awards to eligible entities. At a minimum, the criteria should address specific requirements set forth in Section 40101(d), which include that:*

* 1. *Priority should be given to projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events,*
  2. *The percentage made available to eligible entities that sell not more than 4,000,000 megawatt hours of electricity per year should not be less than the percentage of all customers in the State or Indian Tribe that are served by those eligible entities, and*
  3. *Awards should be provided to eligible entities for projects within the State or on the land of the Indian Tribe.*

Under Section 40101(e), the following resilience-based investments are permitted:

* Weatherization technologies and equipment;
* Fire-resistant technologies and fire prevention systems;
* Monitoring and control technologies;
* The undergrounding of electrical equipment;
* Utility pole management;
* The relocation of power lines or the reconductoring of power lines with low-sag, advanced conductors;
* The use of construction of distributed energy resources for enhancing system adaptive capacity during disruptive events, including:
  + Microgrids; and
  + Battery-storage subcomponents;
* Adaptive protection technologies;
* Advanced modeling technologies;
* Hardening of power lines, facilities, substations, of other systems; and
* The replacement of old overhead conductors and underground cables.

The following activities are not permitted under this program:

* Construction of a new:
  + Electric generating facility; or
  + Large-scale battery-storage facility that is not used for enhancing system adaptive capacity during disruptive events; or
* Cybersecurity.

Section 40101(d) requires certain criteria for distributing funding and selecting awards. They include:

Greatest community benefit

Priority shall be given to projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events. Eligible entities should describe, to the greatest extent possible, how their project, if awarded, would generate the greatest community benefit in reducing the likelihood and consequences of disruptive events. To achieve this goal, the Indiana OED will require eligible entities to submit the following information and data for informed investment decision making:

* The number of customers by customer class that a proposed project will directly impact. In addition, the eligible entity should also provide the number of customers directly impacted by a proposed project as a percentage of total customers served by the entity.
* Historical SAIFI, SAIDI, and CAIDI data for the proposed investment area as compared to the historical, system-wide average of SAIFI, SAIDI, and CAIDI to determine whether a proposed investment is in an area that may have more frequent and/or longer duration outages than average.
* A description of the eligible entity’s asset management plan for the area and/or infrastructure related to the proposed project, including information on whether the proposed project is part of the eligible entity’s operations and maintenance proposal, and a description how the proposed project will exceed or provide greater benefits than a normal asset replacement.
* A description of the connection to critical infrastructure, including the number of facilities and customers supported, that a proposed project will directly impact. Critical infrastructure is defined as those that provide a critical or life-sustaining good or service accessible to others.

In addition to the criteria above, Indiana OED will expect eligible entities to submit, at minimum, the following information concerning one or more proposed projects:

* A detailed description of the proposed project(s), including the need of the project, how the project will achieve one or more of the objectives and metrics in Section 1, a description of the associated equipment and infrastructure and installation thereof, and a description of how the use of the equipment shall enhance and improve the resilience of the electric grid from disruptive events.[[10]](#footnote-11)
* A detailed description of the area in which the project(s) will be located, including a summary of the community, population and demographic characteristics, total number of customer meters, and total number of customers broken down by general customer class (e.g., residential, commercial, and/or industrial) the project(s) are anticipated to directly affect. Eligible entities shall identify whether the community or area is classified as a disadvantaged community[[11]](#footnote-12) and a description of how they included consideration of disadvantaged communities in their decision-making process.
* A detailed description of the current infrastructure in place in the proposed project area(s) that may be upgraded, replaced, or otherwise modified, and how the upgrades, replacement, or modifications will enhance grid resilience.
* A detailed budget and estimated timeline for completion of proposed project(s).
* Submission of reliability metrics, including, but not limited to, SAIDI, SAIFI, and CAIDI over the last three years in the proposed project area(s), and the goals or estimates of how the proposed project(s) may improve the reliability metrics in the area.

Set aside for small utilities

Indiana is set to receive $4,602,976 for Year 1 in total funding allocation from the Grid Resilience Grant Program. Pursuant to Section 40101(d)(6), the Indiana OED will ensure that the percentage of funding made available to small utilities defined by not selling more than 4,000,000 megawatt-hours of electricity per year shall not be less than the percentage of all customers in the State that are served by those eligible entities.

* All of Indiana’s rural electric distribution cooperatives and municipally owned distribution electric utilities are classified as small utilities that sell under 4,000,000 megawatt-hours of electricity per year. Collectively, these small utilities serve XX% of Indiana’s electric customers (NEEDS TO BE VERIFIED).
* Each funding year, the Indiana OED will set aside not less than XX% of the total funding award specifically for awards to small utilities. For Year 1, this is approximately $[NUMBER] (TBD BASED ON PERCENTAGE VERIFICATION).
* Small utilities that apply for an award under this program shall certify they sell not more than 4,000,000 megawatt-hours of electricity and submit all appropriate documentation for Indiana OED to verify compliance. This requirement will be in effect for all small utilities each year in which a grant application is submitted, regardless of whether they submitted an application or have received an award in a prior year.

Although this set aside is made exclusively for eligible entities that are classified as small utilities, small utilities may still receive awards beyond the set aside amount.

Projects must be in Indiana

The Indiana OED will ensure that all projects that receive a funding award shall be located within the State of Indiana. Eligible entities must identify the location of the project and the community for which the project benefits and confirm that the project and its award will be invested solely in Indiana. The Indiana OED shall verify the selected project(s) and communities benefited are located within the State of Indiana’s boundaries.

[QUESTIONS FOR STAKEHOLDERS TO CONSIDER]

1. There may be some subjectivity to what can be construed as “projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events.” What other types of information or data may support Indiana OED in its decision-making to determine whether projects meet that requirement?

2. The purpose of this section of the Program Narrative is to lay out the overarching criteria that meets federal requirements and which Indiana OED will use to guide decisions for these grid investments. What additional information or criteria should be utilized to help Indiana OED achieve its goals?

3. Please provide any additional recommendations that should be addressed in this section to fulfill the requirements of Section 40101(d) and be included in Indiana’s Program Narrative.

1. **Methods:**

*Provide a description of the methods the applicant anticipates using for soliciting, awarding, and distributing funds. These might include several options, including the use of competitive solicitations, direct awards, and the use of financial instruments, such as Green Banks, to leverage the funds through 40101(d).*

*Provide also a description of the methods the applicant anticipates using to track and make public the metrics achieved by awardee uses of program funds to improve resilience by reducing the likelihood and consequences of disruptive events, to generate quality jobs, and to improve equity and community benefits.*

The Indiana OED will follow all applicable federal and state procurement procedures to solicit, award, and distribute grant awards. Eligible entities that want to be considered must also be registered with the State and follow all applicable rules to be able to conduct business with the State[[12]](#footnote-13) and with the federal government as a sub-recipient.

As defined in Section 40101(d)(a)(2), an “eligible entity” means:

* An electric grid operator;
* An electricity storage operator;
* An electricity generator;
* A transmission owner or operator;
* A distribution provider;
* A fuel supplier; and
* Any other relevant entity, as determined by the (U.S. Department of Energy) Secretary.

The solicitation of funds will be released publicly through an announcement including a press release, posting of information on the Indiana OED’s website, and a listserv that any member of the public or stakeholder can sign up for on the Indiana OED’s website. The Indiana OED will develop a comprehensive competitive grant application process that meets federal and state requirements and aligns with this Program Narrative. This process will enable Indiana OED to see a complete picture of the proposed projects and their impacts to make determinations to award projects in alignment with the objectives of this Program Narrative.

Upon verification of federal compliance[[13]](#footnote-14) and approval from the DOE, selected eligible entities to receive awards will be notified, and a public announcement of selected awards will be announced via a press release, posting of information on the Indiana OED’s website, and through a listserv that any member of the public or stakeholder can sign up for on the Indiana OED’s website.

Awarded eligible entities will enter into a sub-grant agreement with the Indiana OED. Projects will be monitored and reported upon quarterly. Subrecipients will be required to provided quarterly performance and financial reports describing activities completed to date and progress toward objectives and metrics. Awarded funds will be distributed on a reimbursement basis to the subrecipients, upon proof of completion of work and a satisfactorily sufficient invoice detailing the work performed. Indiana OED will reserve the right to perform subrecipient oversight activities, including those as required or as may be determined. The Indiana OED anticipates providing summaries of the awarded projects on its public website.

[QUESTIONS FOR STAKEHOLDERS TO CONSIDER]

1. What other information would be helpful to understand Indiana OED’s intended method for soliciting, awarding, and distributing funds?

2. What other information may be helpful and in what medium and frequency to share about the awarded investments as they awarded over the life of the program?

3. Are there any other communication mediums the Indiana OED should consider utilizing to share information/updates?

4. Please provide any additional recommendations that should be addressed in this section to fulfill the requirements of Section 40101(d) and be included in Indiana’s Program Narrative.

1. **Funding Distribution:**

*Provide a description of the proposed funding distributions and categories of recipients of the subgrants to be provided to eligible entities. Also, indicate preferences for eligible entities if they do not explicitly appear on the list of eligible entities provided in Section 40101.*

Entities eligible for grid resilience funding follows the federal requirements to include: electric grid operators, electricity storage operators, electricity generators, transmission owners or operators, distribution providers, fuel suppliers, or other entity determined by DOE Secretary. While all who may be eligible under Section 40101 can apply, the Indiana OED will give preference to the eligible entities that directly provide electricity to the public and are considered a public utility under Indiana Code § 8-1-2-1.

Not less than XX% of the total federal formula funds to the state each year shall be allocated to small utilities. Small utilities are defined in Section 2. For the small utilities’ set aside ($[INSERT NUMBER]), the Indiana OED shall award projects to small utilities until the federal grant dollars available are fully allocated under the set-aside and not to exceed $750,000 for any one project. Under Section 40101(d)(8), small utilities are required to provide cost match of at least one-third the amount of federal funding. For example, a small utility receiving a $750,000 federal award shall provide $250,000 in cost match.

Although small utilities are the only eligible entities to receive awards under the small utility set aside, small utilities are not excluded from receiving awards outside of the set-aside. In other words, small utilities may still be eligible for awards even after the small utility set-aside has been exhausted.

For the portion of formula funds not set aside for small utilities each year, Indiana OED shall award projects until the federal grant dollars available are fully allocated, not to exceed $2,000,000 for any one project. Under Section 40101(d)(8), eligible entities (except for small utilities) are required to provide cost match of at least 100% of the amount of federal funding. For example, a utility receiving a $1,000,000 federal award shall provide $1,000,000 in cost match.

Pursuant to Section 40101(e)(2)(B), an eligible entity may not seek cost recovery for the portion of the cost of any system, technology, or equipment that is funded through a grant awarded under the program. However, an eligible entity is not prohibited from recovering through traditional or incentive-based ratemaking any portion of an investment in a system, technology, or equipment that is not funded by a grant award under this program. For example, if Utility A is a utility that sells more than 4 million MWh receives a $1,000,000 award and provides $1,000,000 in matching funds for a total project amount of $2,000,000, then Utility A may not recover the $1,000,000 federal award but may ask for cost recovery of the $1,000,000 match.

[THE FOLLOWING COST MATCH OPTIONS ARE UNDER CONSIDERATION FOR STATE MATCH. WE ANTICIPATE SELECTING ONE OF THE FOLLOWING OPTIONS.]

[COST MATCH OPTION 1]

Under Section 40101(d)(8), each State and Indian Tribe is required to match 15 percent of the total Federal grant allocation provided to the State or Indian Tribe under the Program. For Year 1, Indiana’s 15 percent match is $690,446.40. However, States and Indian Tribes may utilize excess cost match of eligible entities to cover the state’s portion. Therefore, eligible entities that are not classified as small utilities shall provide at least 115% in cost match of the amount of the federal award they receive. For example, if a utility receives a $1 million award for a project under this program, the eligible entity will be required to provide at least $1,150,000 cost match. In this case, the total subaward value would be $2,150,000. Eligible entities that are considered small utilities will be required to match at least 48.33% of the amount of the federal award they receive. For example, if a small utility receives a $750,000 award for a project under this program, the small utility will be required to provide at least $362,500. In this case, the total subaward value would be $1,112,500.

[COST MATCH OPTION 2]

Under Section 40101(d)(8), each State and Indian Tribe is required to match 15 percent of the total Federal grant allocation provided to the State or Indian Tribe under the Program. For Year 1, Indiana’s 15 percent match is $690,446.40. The State intends to utilize American Rescue Plan Act (ARPA) funding to meet the State’s 15 percent match obligation for the Grid Resilience Grant Program.

[COST MATCH OPTION 3]

Under Section 40101(d)(8), each State and Indian Tribe is required to match 15 percent of the total Federal grant allocation provided to the State or Indian Tribe under the Program. For Year 1, Indiana’s 15 percent match is $690,446.40. The State intends to utilize funds from the General Fund or other State source of funding to fulfill the State’s match requirements.

[QUESTIONS FOR STAKEHOLDERS TO CONSIDER]

1. For eligible entities considered small utilities, is a $750,000 limit for any one project award under the small utility set-aside reasonable? While the actual dollar amount for the small utility set-aside is to be determined, we anticipate it will be somewhere around $1.1 million. Please provide feedback in this area.

2. For eligible entities that are not considered small utilities, is a $2 million limit for any one project reasonable? Please provide feedback in this area.

3. The cost match options shall be finalized in consultation with the relevant fiscal agencies. However, pursuant to DOE guidance, these three options are available to States for consideration. Please provide feedback on the three potential cost match options. For eligible entities, especially small utilities, please provide feedback on whether and to what extent this Cost Match Option 1 may impact your ability to apply for this funding opportunity.

4. Please provide any additional recommendations that should be addressed in this section to fulfill the requirements of Section 40101(d) and be included in Indiana’s Program Narrative.

1. **Equity Approach:**

*To achieve the greatest impact for all Americans with this once-in-a-generation investment in infrastructure, it is critical that the BIL-funded projects not only contribute to the country’s energy technology and climate goals, but also (1) support the BIL objectives to invest in America’s workforce by including specific elements to accelerate job growth and job quality, including approaches to give workers a free and fair choice to join or form a union; and (2) advance DOE’s equity, environmental and energy justice priorities, including DOE’s commitment to the Justice40 Initiative. Accordingly, the Program Narrative must describe how the State or Indian Tribe will ensure their proposed project will incorporate:*

* 1. *Quality Jobs: Strengthening prosperity by expanding good-paying, safe jobs accessible to all workers and supporting job growth through investments in domestic supply chains is a key goal set by President Biden, discussed in depth in his Executive Orders on Ensuring the Future Is Made in All of America by All of America's Workers (EO 14005), Tackling the Climate Crisis at Home and Abroad (EO 14008), Worker Organizing and Empowerment (EO 14025), Boosting Quality of Federal Construction Contracts (EO 14063), Promoting Competition in the American Economy (EO 14036), and Implementing the Infrastructure Investment and Jobs Act (EO 14052). Accordingly, this section of the Program Narrative should address efforts to achieve these goals, including* 
     1. *efforts to attract, train, and retain a skilled workforce and*
     2. *workforce opportunities in communities that have lost jobs due to the displacements of fossil energy jobs; and*
  2. *Community Benefits: Section 40101(d)(5) requires a State or Indian Tribe to give priority to projects that would generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events. The Program Narrative should include an explanation of how the State or Indian Tribe will make such a determination for the projects that will be receiving funding and should include information on how the projects go beyond measures that are already being undertaken through current resilience planning by the State or Indian Tribe.*
  3. *Diversity, Equity, Inclusion and Accessibility: DOE strongly encourages efforts to reach historically underserved populations, racial minorities, and women. These strategies should create the connectivity and conditions for growth where they may not exist, such as in rural and underserved communities. The Program Narrative should articulate the strategy the State or Indian Tribe will use for sharing and maximizing the project’s benefits across disadvantaged communities and include a discussion of how resident, worker, and community leadership will be engaged throughout the project’s duration.*

*Provide an explanation of how the State or Indian Tribe will make such a determination for the projects that will be receiving funding and should include information on how the projects go beyond measures that are already being undertaken through current resilience planning by the State or Indian Tribe.*

Consistent with federal and state law, and associated federal guidelines, the Indiana OED will make every reasonable effort to ensure these funds are utilized to generate the greatest community benefits in reducing likelihood and consequences of disruptive events while contributing to the development of a strong Indiana workforce through an equitable approach.

*Community Benefits*

Priority shall 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]](#footnote-15) Applicants should describe, to the greatest extent possible, how their project, if awarded, would generate the greatest community benefit in reducing the likelihood and consequences of disruptive events. As described in Section 2 of the Program Narrative, Indiana OED will require eligible entities to submit a range of information and data as part of the application process to allow for informed decision making. Broadly speaking, this information will allow Indiana OED to ascertain and understand the number of customers impacted, the historical and current reliability and resiliency data of the community or project area, and how the eligible entity’s project(s) go beyond measures that may already be undertaken through current resilience planning measures. The project(s) should also be reasonably geared towards achieving the State’s objectives in Section 1.

*Quality Jobs*

The Indiana OED will utilize the funding to encourage the promotion and development of high-quality jobs performed by a highly qualified workforce, consistent with federal and state laws and guidance. Priority will be given to: (1) projects that use a diverse, local, well-trained, and well-paid workforce; or (2) projects that outline a plan to attract, train, and retain a highly skilled workforce, including opportunities for underrepresented or historically excluded workers, and those displaced by the energy transition. Eligible entities should identify how their project will contribute to the workforce development objectives described in this Program Narrative.

The State of Indiana and the Indiana OED is sensitive to the displacement of workers as a result of the ongoing energy generation transition. The Indiana Commission for Higher Education and Indiana Department of Workforce Development have created opportunities for the retraining and employment of workers to support communities, workers, and their families. For example, under Indiana Code § 8-1-8.5-12, an employee that worked in the coal industry receives priority in the awarding of high-value workforce ready credit-bearing grants under Indiana Code chapter 21-12-8. The Indiana OED will build on the State’s efforts to invest in those communities and utilize the local workforce in those areas to further promote economic and workforce development.

*Diversity, Equity, Inclusion, and Accessibility*

The Indiana OED strives to make diversity, equity, inclusion, and accessibility a part of Indiana’s implementation of the Grid Resilience Grants under Section 40101(d). To ensure communities, including historically underserved communities, are included in the process, the Indiana OED will require information from applicants to ascertain their engagement with disadvantaged and underserved communities, and the extent to which these types of communities were considered as part of their decision-making process. As identified in Section 2 of the Program Narrative, the following criteria and required information are directly related to community engagement and consideration in the eligible entities’ planning processes:

* Historical SAIFI, SAIDI, and CAIDI data for the proposed investment area as compared to the historical, system-wide average of SAIFI, SAIDI, and CAIDI to determine whether a proposed investment is in an area that may have more frequent and/or longer duration outages than average.
* A detailed description of the area in which the project(s) will be located, including a summary of the community, population and demographic characteristics, total number of customer meters, and total number of customers broken down by general customer class (e.g., residential, commercial, and/or industrial) the project(s) are anticipated to directly affect. Subrecipients shall identify whether the community or area is classified as a disadvantaged community and a description of how they included consideration of disadvantaged communities in their decision-making process.

[QUESTIONS FOR STAKEHOLDERS TO CONSIDER]

1. What are additional ways the Indiana OED can ensure historically underserved and disadvantaged communities are considered as part of an eligible entity’s application process?

2. What are additional ways the Indiana OED can address diversity, equity, inclusion, and accessibility in its grant administration processes?

3. Please provide any additional recommendations that should be addressed in this section to fulfill the requirements of Section 40101(d) and be included in Indiana’s Program Narrative.

1. **Technical Assistance and Administration:**

*Provide a description of how the State or Indian Tribe intends to utilize up to 5 percent of Federal grant funds for project administration and technical assistance.*

In order to develop the processes and to distribute funding to subrecipients, Indiana OED staff and/or contractors may be necessary for program administration and technical assistance. Indiana will reserve the right to budget 5% for administration and technical assistance in Year 1. OED will track and monitor these administrative expenses and will allocate any of the 5% unused budget towards subawards in the following year.

1. **Public Notice and Hearing:**

*Public Notice and Hearing:  Section 40101(d)(2)(B)(ii) requires that eligible applicants give notice and undertake a public hearing to review the criteria and methods they anticipate using to grant awards to eligible entities and the proposed funding distributions and recipients of the grant awards to eligible entities.  The applicant should use the public hearing to share the approach envisioned for setting objectives and metrics and the proposed funding distributions and recipients of the grant awards to eligible entities.  Provide a brief description of the notice and public hearing process, including the number and types of organizations that attended.  Also, report on the outcome of the public hearing such as approaches for engaging stakeholders for establishing formal objectives and metrics and for implementing strategic planning processes.  Provide a copy of the notice as an attachment to the Program Narrative.*

To be developed after the Public Hearing process, tentatively scheduled for September 1 at 6:00 pm as a virtual hearing.

***Note:*** *DOE anticipates that the Program Narrative will be between 5 and 15 pages, depending upon the grant amount and complexity of resilience activities. DOE may reject applications and require revisions, if it determines that the program narrative lacks sufficient detail or does not comply with stated requirements. Save the information in a single file named (APPLICANT NAME PROGRAM NARRATIVE.pdf).*

1. <https://netl.doe.gov/bilhub/grid-resilience/formula-grants> [↑](#footnote-ref-2)
2. U.S. Energy Information Administration. Indiana State Profile Analysis. <https://www.eia.gov/state/analysis.php?sid=IN> [↑](#footnote-ref-3)
3. Approximately 67% of the total production of Indiana Michigan Power’s Cook Nuclear Plant (located in Michigan) is allocated to Indiana. [↑](#footnote-ref-4)
4. Indiana Utility Regulatory Commission. 2021 Annual Report, p. 32-33. <https://www.in.gov/iurc/files/IURC-2021-AR-WEB.pdf>. [↑](#footnote-ref-5)
5. U.S. Department of Energy. Indiana Energy Sector Risk Profile

   <https://www.energy.gov/sites/default/files/2021-09/Indiana%20Energy%20Sector%20Risk%20Profile.pdf> [↑](#footnote-ref-6)
6. The System Average Interruption Frequency Index (SAIFI) which equals how often the average

   customer experiences an interruption, where SAIFI = total number of customers interrupted/total number of customers served. [↑](#footnote-ref-7)
7. The System Average Interruption Duration Index (SAIDI) which equals the total number of

   minutes (or hours) the average customer experiences, where SAIDI = sum of customer interruption durations/total number of customers served. [↑](#footnote-ref-8)
8. The Customer Average Interruption Duration Index (CAIDI) which equals the average time

   required to restore service, where CAIDI = sum of customer interruption durations/total number of customers interrupted. [↑](#footnote-ref-9)
9. In this section, “critical customers” include assets delivering life-sustaining services to a significant portion of the general population, such as police stations, fire departments, dispatcher/emergency response centers, hospitals, urgent care facilities, community cooling centers, water and sewer treatment and pumping facilities, vehicle fueling stations, and grocery stores. [↑](#footnote-ref-10)
10. “Disruptive event” is defined as an event in which operations of the electric grid are disrupted, preventatively shut off, or cannot operate safely due to extreme weather, wildfire, or a natural disaster. Section 40101(a)(1). For purposes of this Program Narrative, “resilience” means the ability of the electric grid to withstand and rapidly recover from one or more disruptive events. [↑](#footnote-ref-11)
11. The U.S. Department of Energy *Energy Justice Dashboard* is recommended to assist in identifying whether a community is considered disadvantaged. <https://energyjustice.egs.anl.gov/>. In any application, please identify and provide a link to any federal mapping tools used in the decision-making process. [↑](#footnote-ref-12)
12. <https://www.in.gov/idoa/procurement/supplier-resource-center/requirements-to-do-business-with-the-state/> [↑](#footnote-ref-13)
13. Applicants are encouraged to review the ARLD for details on the federal requirements, available at: <https://netl.doe.gov/bilhub/grid-resilience/formula-grants> [↑](#footnote-ref-14)
14. Section 40101(d)(5) [↑](#footnote-ref-15)