



Bipartisan Infrastructure Law | Grid Programs

C. Patrick Woods

cwoods@itctransco.com

Federal Resilience Grants | Overview

BACKGROUND: On January 11, DOE issued a Notice of Intent outlining its Building a Better Grid Initiative, focused on creating a coordinated program to catalyze the development of new and upgraded high-capacity transmission lines, signaling DOE's willingness to use all of its tools at its disposal to expand the grid. The program will coordinate the implementation of both DOE's new authorities and dollars under the Infrastructure, Investment and Jobs Act (IIJA) (approximately \$20 billion), as well as employing preexisting authority and funds, seeking to improve transmission planning and permitting efforts, issuance of loans/grants, coordination with states, and federal research for new transmission system technologies.

Federal Resilience Grants | Overview

The IIJA authorized approximately \$14 billion in new funding to support investments that enhance the flexibility and resilience of the electric grid

PUBLIC LAW 117-58—NOV. 15, 2021

135 STAT. 923

DIVISION D—ENERGY

SEC. 40001. DEFINITIONS.

42 USC 18701.

In this division:

- (1) **DEPARTMENT.**—The term “Department” means the Department of Energy.
- (2) **INDIAN TRIBE.**—The term “Indian Tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).
- (3) **SECRETARY.**—The term “Secretary” means the Secretary of Energy.

TITLE I—GRID INFRASTRUCTURE AND RESILIENCY

Subtitle A—Grid Infrastructure Resilience and Reliability

SEC. 40101. PREVENTING OUTAGES AND ENHANCING THE RESILIENCY OF THE ELECTRIC GRID.

42 USC 18711.

(a) **DEFINITIONS.**—In this section:

- (1) **DISRUPTIVE EVENT.**—The term “disruptive event” means 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.
- (2) **ELIGIBLE ENTITY.**—The term “eligible entity” means—
 - (A) an electric grid operator;
 - (B) an electricity storage operator;
 - (C) an electricity generator;
 - (D) a transmission owner or operator;
 - (E) a distribution provider;
 - (F) a fuel supplier; and
 - (G) any other relevant entity, as determined by the Secretary.

Federal Resilience Grants | Overview

Grid Resilience and Increasing Capacity Grants: The legislation authorized funding to support efforts by states, American Indian tribes, local communities, and industry for grid enhancements that improve resiliency or expand access and increase capacity

A. PREVENT OUTAGES/RESPOND TO NATURAL DISASTERS:

DOE will provide \$5 billion to be divided, w/\$2.5 billion to be awarded as matching grants to industry and \$2.5 billion in formula grants to states and tribes

- In July, the Department of Energy (DOE) announced the opening of the application period for States, U.S. Territories, and Tribes to apply for the formula grant portion of this funding. **The application deadline is September 30, 2022 at 11:59 PM ET.**
- ITC encourages OK to apply for its portion of the funding, as appropriate.

B. EXPAND ACCESS FOR RURAL/REMOTE AREAS:

DOE will provide \$5 billion in competitive financial assistance to the states, local governments, and tribes to support “innovative” projects that harden and enhance efforts around transmission, storage, and distribution

Federal Resilience Grants | Overview

Grid Resilience and Increasing Capacity Grants *[cont.]*

C. ENERGY IMPROVEMENT IN

RURAL/REMOTE AREAS: \$1 billion in competitive grants to small municipalities for resilience, safety, reliability and energy availability – with a focus on transmission and energy storage infrastructure

D. GRID ENHANCING TECHNOLOGIES

\$3 billion in matching grants to support the preexisting Smart Grid Program, supporting investments in new technologies in line rating, flow control devices, advanced conductors, and network topology optimization, etc.

DOE HAS JUST BEGUN THE PROCESS OF ISSUING REQUESTS FOR INFORMATION (RFIS) AND NOTICES OF INTENT (NOIS) TO IMPLEMENT THESE PROGRAMS – ADDITIONAL RFIS AND NOIS LIKELY TO BE ISSUED IN THE COMING MONTHS

Federal Resilience Grants | Opportunities



POTENTIAL OPPORTUNITIES ASSOCIATED WITH FEDERAL RESILIENCE FUNDING:

- Federal funding could help to enable grid upgrades that otherwise would be cost-prohibitive- at a lower cost to electric customers

POTENTIAL PROJECT TYPES INCLUDE:

- Projects which solve a known operational issue, but cannot be approved under existing criteria;
- Projects which provide additional capacity or redundancy for key generation or large load centers (cities/industrial);
- Strategic undergrounding of key assets to protect against severe weather conditions;
- “Right-sizing” existing or planned lines for optimal capacity to better serve Oklahomans
- In general, projects resulting from enhanced planning criteria
- Hardening of existing infrastructure to withstand extreme conditions

Federal Resilience Grants | Hurdles and Risks

HURDLES AND RISKS ASSOCIATED WITH FEDERAL RESILIENCE FUNDING

Federal Funding could come with “strings attached” that may make it difficult for private sector to step up to use the funding



For instance, “Build American, Buy American” requirements can be challenging, as many grid components are not made in the U.S.

DOE guidance may be overly prescriptive, rule out certain project types even if they enhance resilience



ITC view: DOE guidance should be as flexible as possible, give wide latitude to states and industry to pursue investments that make sense for them

In many cases, there may not be a clear path to secure approval for these types of projects, despite receiving federal funding. Stakeholder support in the transmission planning process is still needed



ITC view: RTO planning processes need to consider how to approve projects that receive federal funding, incorporate the benefit of lower cost to customers for projects that receive a federal cost share

EV Charging Funding | Overview



THE BIPARTISAN INFRASTRUCTURE LAW ESTABLISHED \$7.5 BILLION IN FUNDING TO SUPPORT THE DEVELOPMENT OF A NATIONAL ELECTRIC VEHICLE CHARGING NETWORK:

- On February 10th 2022, DOE announced guidance to states for allocating \$5 billion in formula grants to support Direct Current Fast Charging (DCFC) infrastructure
- \$2.5 billion is allocated to discretionary grants, with additional guidance on those programs forthcoming

DOE GUIDANCE SPECIFIES THAT:

- States should focus on investments along the interstate highway system, with DCFC installations no further than 1 mile from interstate exits/on ramps
- States should “work with local utilities, transmission and distribution operators, and public utility commissions to identify and streamline the planning and approval of grid connections for EV charging infrastructure
- To receive funding, States are directed to submit their charging infrastructure plans to DOE and DOT no later than August 22, 2022.

EV Charging Funding | Overview [cont.]



UNDER THIS PROGRAM, OK IS ELIGIBLE TO RECEIVE \$66,296,972 OVER 5 YEARS.

Key dates in the process are as follows:

- Initial guidance issued – February 10, 2022
- Request for new Alternative Fuel Corridor (AFC) Nominations issued – February 10, 2022
- Alternative Fuel Corridor Nominations Due – May 13, 2022
- Detailed Guidance for State Charging Plans Issued – May 13, 2022
- State Charging Plans Due – August 22, 2022
- State Plans Approved– September 30, 2022

ITC View: ITC encourages Oklahoma to develop a state-wide charging plan focused on large scale DCFC charging stations near highway onramps and exits. These types of large-scale charging stations will require coordination with utilities (both transmission and distribution) to determine optimal interconnection points.



C. Patrick Woods

Manager, Regulatory Strategy

ITC Great Plains

785-414-5488

cwoods@itctransco.com