

Kentucky Energy and Environment Cabinet

BIL – Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grants to States and Indian Tribes: 40101(d)

Application Instruction Manual

OVERVIEW

The Bipartisan Infrastructure Law (BIL) is a once-in-a-generation investment in infrastructure, which will grow a more sustainable, resilient, and equitable economy through enhancing U.S. competitiveness, driving the creation of good-paying union jobs, and ensuring stronger access to economic, environmental, and other benefits for disadvantaged communities. Kentucky's annual allocation under the 40101(d) program is \$5,469,080.

The Kentucky Energy and Environment Cabinet (EEC), Office of Energy Policy (OEP) is seeking applications for 40101(d) projects. All applications must be submitted electronically and received by 4:00 p.m. Eastern Daylight time December 16th, 2024.

OEP anticipates providing the majority of the received funding for grant awards of between \$2M to \$3M each.

ELIGIBILITY AND KEY CONSIDERATIONS:

Eligible Applicants:

Local Electric Municipalities are eligible to apply to this program. .

Eligible Projects:

In Kentucky, for this solicitation of 40101(d) project funding a project must be one of the following eligible activities as outlined in DE-FOA/ALRD-0002736:

- a) weatherization technologies and equipment;
- b) fire-resistant technologies and fire prevention systems;
- c) monitoring and control technologies;
- d) the undergrounding of electrical equipment;
- e) utility pole management;
- f) the relocation of power lines or the reconductoring of power lines with low-sag, advanced conductors;
- g) vegetation and fuel-load management;
- h) the use or construction of distributed energy resources for enhancing system adaptive capacity during disruptive events, including:
 - a. microgrids; and

- b. battery-storage subcomponents;
 - i) adaptive protection technologies;
 - j) advanced modeling technologies;
 - k) hardening of power lines, facilities, substations, of other systems; and
 - l) the replacement of old overhead conductors and underground cables.

Projects will be void if they include the following **INELIGIBLE** activities as outlined DE-FOA/ALRD-0002736:

- 1) Construction of a new –
 - a) electric generating facility; or
 - b) large-scale battery-storage facility that is not used for enhancing system adaptive capacity during disruptive events; or
- 2) Cybersecurity.

Grant Program Funding

40101(d) grant funding requires a cost match from subaward partners. The percentage of the cost match is dependent on the annual Megawatt hours of electricity sold by the entity. The following metric can be found in EIA-Form 861 respective to the year of application. The Office is accepting applications from small entities only with a cost match as follows.

- 4,000,000 MWh or **LESS in electric sales: 1/3 cost match** ‘

The Commonwealth of Kentucky will only award funding to those small entities with projects that include eligible activities as listed under Eligible Projects. The Cabinet intends, but is not required, to select promising projects from the applications received and award the available funds for those projects. The Cabinet reserves the right to award an applicant a lesser amount than the application request. The Cabinet intends, but is not required, to award the first contracts by June 13th, 2025.

Grant Application Timing and Delivery

Grant Applications are due in the Office of Energy Policy no later than **4:00 p.m. Eastern Daylight Time on December 16th, 2024**. Applications must be submitted electronically using the appropriate form linked here with questions emailed to energy@ky.gov. Only complete application will be scored.

Any application submitted after the above deadline will be considered non-responsive and will not be considered or scored. All applications must include the Detailed Budget Workbook, or it will not be deemed a complete application and therefore not reviewed. The application and supporting forms can be located [Kentucky Grid Resilience Grant Program - Kentucky Energy and Environment Cabinet](#)

Additional Considerations:

APPLICATION REQUIREMENTS

Applicants must complete and provide the items listed below in their grant application form.

A pdf is provided for your review prior to officially completing the online form. It is advised to draft an application response separately before submitting the online form.

Applicants must complete and submit the Commonwealth of Kentucky Grid Resilience Funding Application. The application is accessible at <https://energy/eec.ky.gov/Pages>.

By submitting an application for the Kentucky Grid Resilience Funding Application, the applicant is agreeing to provide supporting documentation as detailed below.

Supporting Documentation:

Please provide any letters of support for this project from project partners.

Please provide a link to any distribution system planning documents, reliability, or resilience planning documents for your utility.

Please provide information that verifies your electricity sales information if you are not referencing EIA data.

Please provide supporting documentation to show the ability and source of the required cost match for the project.

Please provide any documentation detailing prior local or community leadership approval of the proposed project.

Please provide any prior media coverage documenting the need for this project.

- Detailed Project Budget – Provide a detailed cost breakdown of the entire project. Download our budget sheet [here](#). Applications that fail to include a detailed project budget will be deemed incomplete and will not be considered. *For best results, open the file in Excel for web. If you have issues with this form, contact energy@Ky.gov to have the file sent to you via email.* The budget should include the following information:
 - Personnel – List any personnel and titles of personnel working on the project for which reimbursement will be requested.
 - Fringe – Provide the fringe rate associated with employees of the local government and explain what the fringe rate includes.
 - Travel -- Provide any travel that will be incurred and charged toward the grant project, the purpose of the travel and if your agency uses a federal, state, or local travel rate.
 - Equipment – Under 2 CFR 200, “equipment” is defined as tangible personal property (including information technology systems) having a useful life of more

than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. List any equipment and purpose in the project. [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

- Supplies – Supplies are generally defined as an item with an acquisition cost of \$5,000 or less and a useful life expectancy of less than one year. Supplies are generally consumed during the project period of performance. [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- Contractual – List any vendors, contractors, or consultants supplying commercial supplies or services used to support this project.
- Construction – Any construction work that is performed by a vendor or subrecipient to the grant awardee should be entered under Contractual.
- Other – Other direct costs include the cost of items required by the project which do not fit clearly into other categories and are not included in the indirect pool if indirect cost rates are being applied. Example would include meeting costs, printing costs, etc.
- Indirect – Indirect costs are those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. If a federally approved indirect rate has been negotiated the entity may use that rate. A copy of the indirect rate shall be submitted with the application. If not, a rate of 10% should be used.
- Each applicant is responsible for submitting all relevant, factual, and correct information with the application to enable the evaluators to afford each applicant the maximum score based on the available data submitted by the applicant.

OTHER CONSIDERATIONS

Each approved application award (contract) will include ***federal Flow Down Requirements*** as required by U.S. Department Of Energy. These requirements shall include but not be limited to:

- Davis-Bacon Act (DBA) prevailing wage laws – [Davis-Bacon 101: An Overview of the Davis-Bacon Act \(ky.gov\)](#)
- Build America/Buy America (BABA) requirements – [DOE's Implementation of the Buy America Requirements for Infrastructure Projects](#)
- National Environment Policy Act (NEPA) provisions – [NEPA](#)
- State Historic Preservation Office (SHPO) provisions – [Section 106 Submission Form](#)

Each awarded applicant will submit monthly reports of progress, comply with grant management procedures, and use the state designated system and procedures for reimbursement requests and reporting.

Each applicant with an approved application award (contract) will be required to track metrics of performance and document progress and success. Resources on objectives and metrics can be found here <https://netl.doe.gov/bilhub/grid-resilience/resources-library>

Examples of metrics are included below but the list is not exhaustive.

- Metrics
 - Safety standard compliance rate of the electricity grid assets serving target facilities, communities, or populations.
 - Quantity of mitigation measures implemented (poles replaced, miles undergrounded, miles of vegetation removed).
 - Number of critical facilities served.
 - Estimation on vulnerable populations served in utility territory.
 - Number of meters served.
 - Frequency and duration of outages (SAIDI and SAIFI) of targeted grid circuits or facilities.
 - Level of preparedness and risk understanding of critical infrastructure operator.
 - Completion of electric grid asset inventory at heightened risk from all hazard types.
 - Completion of an all-hazards mitigation plan for identified assets, including a cost effectiveness evaluation of each measure or a community benefit evaluation.
 - Number of jobs created by funded project.
 - Provision of information regarding union labor laws.
 - Use of local hire agreements and appropriately credentialed workforce providing grid resilience services.
 - Number of coordination and outreach activities with Kentucky Education and Labor Cabinet and the Kentucky Community and Technical College System.
 - Level of risk awareness and preparedness of under resourced communities and vulnerable populations.
 - Number of outreach activities to targeted audiences regarding resilience resources and services.
 - Distance and access to community resilience hubs, or regional resilience hubs.

Evaluation and Scoring of Applications

The Cabinet will conduct a comprehensive, fair, and impartial evaluation of all applications and score the applications based on the following factors:

- Strength of the submittal in meeting the objectives of the application criteria *(50 points)*
Consideration will be given to the following:
 - Level of heightened risk area to natural and man-made hazards
 - Support for geographic areas that have been impacted by a state or federal declared natural or man-made disaster event within the last five years
 - Improvement in the safety or reliability of the electricity system Support for project environmental sustainability Ability to serve or support a regional or local resilience hub or show alignment with Kentucky's microgrid feasibility assessment.
 - Support or alignment with Kentucky's Energy Assurance and Security Plan and the Kentucky Emergency Operations Plan
- Qualifications, Experience, Capabilities, and Scheduling *(20 points)*
 - Relevant experience with the technology or process.
 - Strength of team assembled for project (including commitment of key participants) as evidenced by letters of commitment or support; and
 - Schedule, milestones, and deliverables of project.
 - Ability of project team to manage federal and state compliance obligations.
- Community Benefits *(15 points)*
 - Use of local workforce.
 - Opportunities for increased economic development.
 - Support for vulnerable or federally designated disadvantaged populations.
 - Opportunities for environmental and energy education.
 - Community engagement plan and strategy.
- Reasonableness and clarity of budget *(15 points)*–
 - A budget, using at a minimum the budget categories listed in Attachment 2, must be provided. Justification for each expense category shall be provided in the Detail Budget Workbook. Project budget will be evaluated and scored for reasonableness by comparing cost vs. benefits of the overall application.

EVALUATION CRITERIA	POINTS POSSIBLE
Strength of Project in Meeting Application Objectives	50 Points
Qualifications, Experience, Capabilities & Scheduling	20 Points
Community Benefits	15 points
Reasonableness & Clarity of Budget	15 Points
TOTAL POINTS	100 POINTS

Where to Submit

Application forms are located at <https://eec.ky.gov/Energy/Programs/Pages/40101d.aspx>.

A complete submittal will consist of the signed, completed application form and documentation as outlined above.

The application and documentation must be submitted via email to: energy@ky.gov

Grant Evaluation Process

After the close date for applications, OEP will establish the evaluation team to review and score the applications as follows:

Each member of the evaluation team will review and score each application individually. Once that process is complete – the evaluation committee will provide those scores to the program manager who will compile all scores and average the individual scores.

Using these project scores, funding will be awarded to top-scoring applications selected by the committee according to fund limitations and the merit of the applications. Applications may be offered partial funding based on an agreed upon revised scope and budget between the applicant and the Cabinet.

The Cabinet will notify the highest-ranking applications and begin preparing workplans and contracts with awarded applicants.

General Information about the Grants

OEP will schedule and hold a webinar on the application process and form. Once held, the webinar will be posted on OEP's website for reference.

Applicants should submit written questions via email to energy@ky.gov. Oral questions will not be accepted at any time. OEP will respond to questions in writing with a Questions and Answers compilation and post that document to the Cabinet's web site [Kentucky Grid Resilience Grant Program - Kentucky Energy and Environment Cabinet](#)

The Application Manual, Application, Budget, Detailed Budget Workbook, and Questions and Answers compilation are posted to the Cabinet's web site.

It is the applicant's responsibility to ensure that copies of all information and forms have been submitted. .

The Cabinet may request additional information about any aspect of an application in order to better evaluate the project. This information request may take the form of a meeting. Any discussions of an applicant's project will pertain only to that application and not include information from or about any other application.

The EEC-OEP shall not disclose any portions of the proposals prior to contract award to anyone outside the EEC-OEP, representatives of the agency for whose benefit the contract is proposed, representatives of the federal government, if required, and the members of the evaluation committee. After a contract is awarded in whole or in part, the Commonwealth shall have the right to duplicate, use, or disclose all proposal data submitted by applicants in response to this request as a matter of public record.

Any and all documents submitted by an applicant in response to the solicitation shall be available for public inspection after contract award pursuant to the Kentucky Open Records Act, KRS 61.870 to 61.884 ("the Act"). When responding to a request to inspect records submitted in response to this solicitation, the Commonwealth will not redact or withhold any information or documents unless the records sought are exempt from disclosure pursuant to KRS 61.878 or other applicable law. Similarly, no such documents shall be exempt from public disclosure, regardless of the applicant's designation of the information contained therein as "proprietary," "confidential," or otherwise, except in cases where the requested documents (or information contained therein) would be excluded from application of the Act under KRS 61.878(1)(c).

By signing the Application Form, the Applicant certifies that he/she, along with any other officers, directors, owners, partners, employees, or agents is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for an award by any state or federal agency. This is in accordance with Federal Acquisition regulation 52.209-5.

The Cabinet may terminate and cancel this Grant Program at any time. In such a case, the Cabinet will give the Applicant 30 days' written notice of termination.

If for any reason the funds from federal DOE become unavailable, the Cabinet may cancel the Contract and not be obliged to make any payments under the Contract after the termination date. The Cabinet will provide 30 days' notice of any such termination.

All costs of the project are to be included in the Budget and the Detailed Budget Workbook and described in the Narrative section of the Application. After the Contract is executed, no additional expenses may be reimbursed. These include expenses for the applicant's fees, travel, and miscellaneous expenditures. All expense charges under the Contract must be invoiced on the Cabinet's form and must be supported by documentation and receipts. Costs may not exceed the project budget. Any re-allocation of costs within the budget must receive prior written approval from the Cabinet.

The Cabinet is not liable for social security contributions under 42 US Code, Section 418, regarding compensation of any second party to the Grant Agreement.

The Applicant (Awardee) must maintain continuous compliance with the provisions of those statutes which apply to the Applicant's operations. If the applicant fails to reveal a final determination as described above or fails to comply with the above statutes for the duration of the Contract, the Cabinet may cancel the grant.

Additional Terms

Discrimination (because of race, religion, color, national origin, sex, age, or disability) is prohibited.

Applications for the grants are limited to new projects.

Projects may be multi-year in duration if there are annual milestones and deliverables specified within each year.

Additional terms and conditions may apply to awarded grants and will be set forth specifically in the Memorandum of Agreement between the OEP and the grant recipient.