

Bipartisan Infrastructure Law - SECTION 40101(d)
PREVENTING OUTAGES AND ENHANCING THE RESILIENCE OF THE ELECTRIC GRID

DRAFT for New Hampshire

Version: September 1, 2022

Please note: instructions provided by USDOE have been left in for reference and are in *italics*. NHDOE's proposed responses are in unaltered typeface below each set of instructions.

DRAFT Program Narrative

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:

- a. resilience and energy justice concerns, including reducing the frequency and duration of outages in disadvantaged communities,*
- b. 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://www.netl.doe.gov)

The New Hampshire Department of Energy (NHDOE) has four primary objectives that will steer its investments with 40101(d) formula grant funding:

1. Investments in Disadvantaged Communities

Over the past few years, major weather events have caused prolonged outages in New Hampshire. Frequent disruptive events that inhibit electricity access can have far more detrimental impacts on those who are disadvantaged. NHDOE will develop its 40101(d) funding program to strongly incentivize eligible applicants to apply for funding to advance projects that are for the benefit of disadvantaged communities.

To do so, NHDOE will rely the US Department of Energy's (USDOE) [Energy Justice Mapping Tool - Disadvantaged Communities Reporter](#). This tool reviews census tracts that the USDOE has categorized as disadvantaged communities pursuant to [Executive Order \(EO\) 14008 - Tackling the Climate Crisis at Home and Abroad](#). USDOE defines "disadvantaged" based on cumulative burden with 36 burden indicators, such as fossil fuel dependence, energy burden, socio-economic vulnerabilities, etc.

While NHDOE will continue to strongly incentivize eligible applicants to tailor projects to disadvantaged communities as indicated on the Energy Justice Mapping Tool, it also recognizes that electric infrastructure does not easily conform to census tracts. Under its program, NHDOE will provide some flexibility for eligible applicants to develop projects for the benefit of "nearly" disadvantaged communities that meet certain criteria as outlined in the Energy Justice Mapping Tool.

2. Reduce the Frequency and/or Duration of Disruptive Events

Major disruptive events in New Hampshire's rural areas can leave local residents, businesses, and institutions at a severe disadvantage. The length of time to restore electrical infrastructure can be more pronounced in New Hampshire's rural areas, especially in the north and western parts of the state. NHDOE will encourage eligible applicants to demonstrate how their proposed projects will reduce the likelihood or length of disruptive events.

To do so, NHDOE will require eligible applicants to demonstrate in their application the Customer Average Interruption Duration Index (CAIDI) and the Customer Average Interruption Frequency Index (CAIFI) for the infrastructure both before the proposed improvement and a project of what the CAIDI and the CAIFI will be after projection completion. While reviewing applications, NHDOE will reserve some discretion to score applications appropriately based on a proposed project's CAIDI and CAIFI impacts.

3. Advance Projects That Go Beyond Current Resilience Planning

NHDOE wants eligible applicants to propose projects that are not under consideration in the applicant's current year resilience planning. NHDOE does not want eligible applicants to replace or supplant funding for an existing project, but to advance those projects that are deferred due to lack of funding or to accelerate a planned project.

To ensure this objective is met, NHDOE will require eligible applicants to demonstrate that, if awarded, the award would represent a total increase in total resiliency spending through submitting a current resiliency funding plan and a proposed resiliency funding plan. NHDOE reserves some discretion under its program to appropriately score such applications. Applications that sufficiently demonstrate efforts to go beyond current resilience planning will be awarded more points over those applicants who have unclear or insufficient planning efforts.

4. Leverage Existing Workforce Development/Training Opportunities

Eligible applicants will be encouraged to demonstrate in their program applications that they have incorporated an active New Hampshire-based vocational or apprenticeship program throughout the lifetime of the proposed project. This will ensure that applicants leverage active programs, such as through the University System of New Hampshire or the Community College System of New Hampshire, to provide active training and real-world occupational experience to a new workforce. NHDOE reserves flexibility to appropriately score an applicant's leveraging of such workforce programs.

2. 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:

- a. 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,*
- b. 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*
- c. Awards should be provided to eligible entities for projects within the State or on the land of the Indian Tribe.*

NHDOE intends to issue a Notice of Funding Availability (NOFA) for a competitive grant award program that is open to the following eligible applicants: 1) a transmission owner or operator; and 2) a distribution provider. The eligible applicants must apply for funding to complete projects that are physically located in the State of New Hampshire.

NHDOE will screen each application to assess compliance with the NOFA submission requirements. Once completed, an Evaluation Team for the State will review the applications and information submitted by each applicant based upon the scoring criteria established in the NOFA. The highest scoring application(s) will be awarded funding.

The selection criteria in the NOFA will be derived from the guidance in the USDOE's 40101(d) Administrative and Legal Requirements Document (ALRD), as well as NHDOE's objectives and metrics as described in Section 1 of this Program Narrative. NHDOE's criteria will be as follows:

a) **Disadvantaged Communities:**

- i) Applicant's Project Benefits a Disadvantaged Community: The applicant demonstrates that its proposed project would occur in or to the benefit of a disadvantaged community (DAC). For the purpose of NHDOE's NOFA, a "disadvantaged community" is defined as a census tract labeled as disadvantaged based on the US Department of Energy's [Energy Justice Mapping Tool - Disadvantaged Communities Reporter](#). (Maximum Point Score: 30)
 - ii) Applicant's Project Benefits a "Nearly" Disadvantaged Community: The applicant's project is not in or does not directly benefit a census tract identified as a disadvantaged community based on the US Department of Energy's Energy Justice Mapping Tool **but** has a state ranking of 60% or greater AND has a DAC score of 14 or greater. (Maximum Point Score: 15)
- b) **Applicant Reduces Frequency and/or Duration of Disruptive Events:** The applicant demonstrates that its proposed project would reduce the number and/or length of disruptive events in a given area. Applicants should include in their application the Customer Average Interruption Duration Index (CAIDI) and Customer Average Interruption Frequency Index (CAIFI) for the circuit(s) both before the proposed improvement and a projection of what the CAIDI and CAIFI will be after project completion. (Maximum Point Score: 30)
 - c) **Applicant Undertakes Efforts Beyond Current Resilience Planning:** The applicant proposes a project that is not currently under consideration in the applicant's current year resilience planning. Grant funds cannot replace or supplant funding for an existing project. However, accelerating a planned project **is not** considered replacing or supplanting. The applicant should be able to demonstrate that if awarded, the funding would represent an increase in total resiliency spending through submitting a current resiliency funding plan and a proposed resiliency funding plan, should the proposed application be awarded funding. (Maximum Point Score: 25)
 - d) **Applicant Creates Workforce Development/Training Opportunities:** The applicant incorporates an active New Hampshire vocational/apprenticeship program throughout the lifetime of the proposed project to train an active, skilled workforce. (Maximum Point Score: 20)
 - e) **Confidence in Applicant's Ability to Meet General Requirements and Conditions:** Public disclosure requirements, compliance with reserved NHDOE/USDOE rights, etc. NHDOE can retract funding if out of compliance. (Maximum Point Score: 20)
 - f) **Proposed Project Budget:** Shows fiscal responsibility and understanding of available project funds, proof of match, expects financial audits, and other scrutiny. (Maximum Point Score: 20)
 - g) **Overall Responsiveness to NOFA:** Overall responsiveness to the requirements of the NOFA, including completeness, clarity, and quality of application (Maximum Score: 5)

The Small Utilities Set Aside under Section 40101(d)(6) of the IJA requires the following: "A State or Indian Tribe receiving a grant under the program shall ensure that, of the amounts made available to eligible entities, the percentage made available to eligible entities that sell not more than 4,000,000 megawatt hours of electricity per year is not less than the percentage of all customers in the State or Indian Tribe that are served by those eligible entities."

Based on the sales data provided by the EIA in their form EIA-861, **a minimum of 28% of New Hampshire's 40101(d) grant allocation, or \$882,250,** will be available to entities that sell not more than 4,000,000 megawatt hours. Those entities include, but are not limited to, the following:

- NH Electric Cooperative
- Unitil
- Liberty Utilities
- Municipal electric utilities: Town of Ashland, Town of Littleton, Town of Wolfeboro, New Hampton Village Precinct, Precinct of Woodsville

3. 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.

NHDOE intends to issue a NOFA for a competitive grant award program that is open to the following eligible applicants: 1) a transmission owner or operator; and 2) a distribution provider. Eligibility may be expanded in the future after proper review of the program's first year.

NHDOE will screen each application to assess compliance with the NOFA submission requirements. Once completed, an Evaluation Team for the State will review the applications and information submitted by each applicant based upon the scoring criteria established in the NOFA.

If numerous acceptable and potentially acceptable applications have been submitted, the Evaluation Team will rank the applications and create a "ranked list" based on the criteria as described in Section 2 of the Program Narrative. The highest scoring application(s) will be awarded funding. Interviews may take place if the Evaluation Team wishes to clarify and expound upon information provided in an applicant's application.

Once applicants are selected, NHDOE will enter into contract negotiation and grant agreements with the selected applicants. Selected applicants will enter into contracts/assurances to comply with all federal award requirements as detailed in the 40101(d) ALRD. NHDOE will then notify USDOE in writing prior to executing any new awards. USDOE will undertake review of the documentation. Required written concurrence by USDOE may take considerable time and will be impacted by factors such as National Environmental Policy Act (NEPA) considerations. This process could take at least 45 days. Following USDOE's review, NHDOE will submit completed grant agreements to Governor and Executive Council for approval. Work can begin on the proposed project following these steps.

NHDOE intends to use CAIDI and CAIFI data as a method of tracking project benefits in reducing the amount of disruptive events. Selected applicants will also be required to demonstrate the number of jobs created, both short-term and long-term, through their proposed project.

4. 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.

NHDOE will make available its entire 40101(d) allocation (\$3,316,726) available through its competitive grant program, minus the allowable 5% (estimated \$165,835) of the award for administrative expenses and technical assistance. Ultimately, an estimated \$3,150,889 will be made available to eligible entities under this program each year for the duration of the available 40101(d) funding. NHDOE will set aside 28% (estimated \$882,250) to make available for small utilities per the Small Utilities Set Aside as detailed in Section 40101(d)(6) under the IJA.

NHDOE intends to create a competitive grant program that is open exclusively to a transmission owner or operator or a distribution provider. This will primarily include New Hampshire's three electric distribution utilities (Eversource, Unitil, and Liberty Utilities), one rural electric cooperative (New Hampshire Electric Cooperative), and New Hampshire's five municipal utilities in Littleton, Woodsville, Ashland, Wolfeboro, and New Hampton. Eligibility may be expanded in the future after proper review of the program's first year.

5. 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:

- a. *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*
 - i. *efforts to attract, train, and retain a skilled workforce and*
 - ii. *workforce opportunities in communities that have lost jobs due to the displacements of fossil energy jobs; and*
- b. *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.

- c. *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.

NHDOE will seek to adopt an equity approach in its competitive grant program to meet the guidance issued by USDOE for Section 40101(d) of the IJA:

1. **Quality Jobs:** Through its program scoring criteria, NHDOE will encourage eligible applicants to leverage active state-based vocational and apprenticeship throughout the course of a proposed project. This will encourage eligible applicants to actively seek out active educational programs to give students active workforce experience. Students, such as those through the University System of New Hampshire, the Community College System of New Hampshire, or union apprentice programs, will be given the opportunity to be involved in a project that is in line with their coursework and give them a unique opportunity to work on projects that improve their local community. This criterion will help advance the goal of maintaining an active and skilled workforce.
2. **Community Benefits:** Through its program scoring criteria, NHDOE will give significant preference to those applicants that conduct a project in or for the betterment of a disadvantaged community. NHDOE intends to use USDOE's Energy Justice Mapping Tool to identify census tracts that are labeled "disadvantaged." NHDOE will also use the Energy Justice Mapping Tool to give points toward those tracts that may not necessarily be "disadvantaged," but also retain a disadvantaged community score of a certain level or higher. This criterion will help ensure that the program funds flow to the neediest communities while ensuring that applicants have a broad range of census tracts where projects can take place to ensure their application remains competitive.
3. **Diversity, Equity, Inclusion and Accessibility:** Through its program scoring criteria, NHDOE will give significant preference to those applicants that conduct a project in or for the betterment of a disadvantaged community as identified on USDOE's Energy Justice Mapping Tool. NHDOE will create another metric to capture those communities that may have a 60% or more state ranking and a DAC score of 14 or above to ensure that communities that are "nearly" disadvantaged are given due consideration of their status. This criterion helps better direct funds to the neediest communities and retains a broad range of census tracts where projects can take place to ensure applications remain competitive in the program.

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distribution provider. The eligible applicants must apply for funding to complete projects that are physically located in the State of New Hampshire.

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d) **Applicant Creates Workforce Development/Training Opportunities:** The applicant incorporates an active New Hampshire vocational/apprenticeship program throughout the lifetime of the proposed project to train an active, skilled workforce. (Maximum Point Score: 20)

e) **Confidence in Applicant's Ability to Meet General Requirements and Conditions:** Public disclosure requirements, compliance with reserved NHDOE/USDOE rights, etc. NHDOE can retract funding if out of compliance. (Maximum Point Score: 20)

f) **Proposed Project Budget:** Shows fiscal responsibility and understanding of available project funds, proof of match, expects financial audits, and other scrutiny. (Maximum Point Score: 20)

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In order to share information about the project with local residents, businesses, and community leadership, selected awardees will be required to have a public informational session in the municipality that the project takes place in. Selected awardees will also be required to provide a document available on the municipality's website that provides a description of the project and its estimated benefits.

6. 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.

Administrative expenses: Funds will be used to retain staff who will operationalize the program, including outreach and publicizing the grant opportunity, fully developing a full-scale Notice of Funding Availability (NOFA), soliciting applications, assembling a scoring team to evaluate applications, submit information to USDOE for their review, writing contracts and grant agreements, and leading contracts through the State's Governor and Executive Council process. Staff will also assist with ongoing monitoring and other grant management activities.

Technical assistance: Need for technical assistance will be dependent on the selected applicant(s). NHDOE anticipates larger electric distribution utilities may not require technical assistance. However, municipal utilities may require technical assistance for their proposed projects. Depending on the nature of the proposed project, technical assistance could be provided by NHDOE staff or through a contract with a third-party.

7. 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.

Summary of the public hearing, who attended, and what was discussed will be entered here.