Insights: Alert

$10.5 Billion in Grant Funding for the Department of Energy Grid Resilience and Innovation Partnerships Program

OCTOBER 3, 2022 Written by Dr. Siegmar Pohl, John C. F. Loving, Stephen M. Anstey

The U.S. Department of Energy s (DOE) Grid Deployment Office (GDO), in collaboration with the Office of Clean Energy Demonstrations (OCED), released a Request for Information (RFI) for the $10.5 billion Grid Resilience and Innovation Partnerships Program (GRIP). The RFI solicits public input on the administration of the GRIP. Comments responding to the RFI are due **October 14, 2022**.

The Grip allocates $10.5 billion over five years to prevent outages and enhance the resilience of the electric grid, deploy technologies to enhance grid flexibility, improve the resilience of the power system against growing threats of extreme weather and climate change, and demonstrate innovative approaches to power sector infrastructure resilience and reliability.

The GRIP is comprised of sections 40101(c), 40107, and 40103(b) of the Bipartisan Infrastructure Law (BIL), and the DOE proposes "a combined implementation strategy for the […] three BIL sections in order to support the development of more comprehensive and regional resilience strategies[.]" Below is a breakdown of the three GRIP sections:

1. **Section 40101(c): Preventing Outages and Enhancing the Resilience of the Electric Grid/Hazard Hardening (Grid Resilience Grants) – $2.5 Billion**
    a. ***Objective:*** This program encourages projects that will produce the greatest regional or community benefit while reducing the consequences of the impact on the electric grid due to extreme weather, wildfire, and natural disaster. The DOE seeks projects that, "address comprehensive transformational transmission and distribution technology solutions that will mitigate one or multiple hazards [.]" Proposed projects should provide significant economic and justice benefits to affected communities and otherwise align with the GRIP program objectives.
    b. ***Eligible Applicants***: Electric grid operators, electricity generators, electricity storage operators, transmission owners or operators, distribution providers, fuel suppliers, and other relevant entities as determined by the Secretary of Energy. Note that the DOE encourages eligible applicants to team up with each other to submit a comprehensive approach application.
    c. ***Eligible Uses and Approaches***: The DOE will prioritize applications for "adaptive storage deployment, microgrid deployment, and the undergrounding of distribution and transmission lines…and that address community transformation or the ability to leverage capital investments." Applications should align with broader State, Tribal, or regional resilience or energy security plans.
    d. ***Review Criteria***: (1) impact, transformation, and technical merit (50%), (2) project plan and project financial feasibility (20%), (3) management team and project partners (10%), and (4) community benefits

plan (20%).

2. **Section 40107: Deployment of Technologies to Enhance Grid Flexibility/Smart Grid Investment Matching Grant Program (Smart Grants) – $3 Billion**
    a. ***Objective:*** This program deploys technology solutions that will increase the flexibility, efficiency, reliability, and resilience of the electric power system by increasing the capacity and capability of transmission facilities, preventing natural disaster faults, incorporating variable renewable energy resources at the transmission and distribution level, and facilitate edge-computing of electric vehicles along with other grid-edge devices or electrified loads. Applications should align with broader State, Tribal, and regional strategies on resilience, energy security, and decarbonization, while also providing a pathway that encourages the development of a smart grid.
    b. ***Eligible Applicants***: Institutions for higher education, for-profits, non-profits, state and local government entities, and tribal nations. The DOE would like applicant teams to include broad stakeholders.
    c. ***Eligible Uses and Approaches:*** A broad set of smart grid investments that support program objectives are eligible. The DOE "will require projects to support data standards, interoperability, and non-discriminatory data access on a real-time basis." Applicants are encouraged to address grid flexibility functions identified in the BIL and support market deployment of smart grid technologies.
    d. ***Review Criteria:*** (1) impact, transformation, and technical merit (50%), (2) project plan and project financial feasibility (20%), (3) management team and project partners (10%), and (4) community benefits plan (20%).

3. **Section 40103(b): Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency (Grid Innovation Program) – $5 Billion**
    a. ***Objectives:*** This program provides financial assistance to facilitate coordination and collaboration with electric sector owners and operators. The DOE will award projects that contribute to one or more of the following objectives: (1) ensuring reliable grid operations, (2) improving overall grid resilience, (3) enhancing collaboration between and among eligible entities and private and public sector owners and operators on grid resilience, (4) contributing to the decarbonization of the electricity and broader energy system, and (5) providing enhanced system value, improving current and future system cost-effectiveness, and delivering economic benefits.
    b. ***Eligible Applicants:*** A State, a combination of two or more States, an Indian Tribe, a unit of local government, and a public utility commission. Eligible applicants are expected to work in partnership with public or private electric utilities and other grid stakeholders.
    c. ***Eligible Uses***: The DOE encourages applicants to combine multiple approaches and demonstrate how their proposed innovative approaches interact with each other and any existing infrastructure to increase overall system resilience. The three areas of interest are (1) transmission system applications, (2) distribution applications, and (3) combination systems applications.
    d. ***Review Criteria***: (1) impact, transformation, and technical merit (50%), (2) project plan and project financial feasibility (20%), (3) management team and project partners (10%), and (4) community benefits plan (20%).

Comments responding to the RFI must be submitted no later than **5:00pm (EDT) on October 14, 2022**. The DOE will

subsequently, based on the comments it receives and the BIL statutory requirements, publish a Funding Opportunity Announcement (FOA) for the GRIP. FOAs are the binding federal agency rules, regulations, and instructions governing the administration of a given program. We anticipate a FOA for the GRIP to be published in Q4 2022 or Q1 2023.

If you have any questions concerning the GRIP, the BIL, or the recently passed Inflation Reduction Act of 2022, please do not hesitate to reach out to: Mark Riedy – mriedy@kilpatricktownsend.com; Tom Allen – tgallen@kilpatricktownsend.com; Siegmar Pohl – spohl@kilpatricktownsend.com; John Loving – jloving@kilpatricktownsend.com; or Stephen Anstey – sanstey@kilpatricktownsend.com.

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