REQUEST FOR PROJECTS

**40101(d) Federal Formula Grant Funding: Preventing Outages and Enhancing the Resilience of the Electric Grid**

for the

Louisiana Department of Natural Resources

**Request for Projects #: LADNR-40101d1
Response Due Date/Time: January 8, 2023, 5 PM CDT**

**Release Date: December 1, 2023**

The Louisiana Department of Natural Resource (LDNR) invites interested entities to respond to this request for projects for funding under the State of Louisiana’s 40101(d) Federal Formula Grant: Preventing Outages and Enhancing the Resilience of the Electric Grid.

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# 1 GENERAL INFORMATION

## 1.1 BACKGROUND

Located along the coast of the Gulf of Mexico, Louisiana is susceptible to major hurricanes each season. Other forms of climate threats (e.g., flooding, winter storms, heat waves) have also negatively impacted Louisiana over the past decades. Since 2000, Louisiana has experienced 57 distinct billion-dollar disasters. Along with Texas and Florida, Louisiana is among the top three states in terms of climate risk. Beyond extreme weather events, vulnerabilities on the electric system impact residents and businesses in Louisiana on a regular basis. In 2018, the average Louisiana electric customer experienced 2.1 service interruptions that lasted an average of 4.6 hours.

The State of Louisiana has worked in recent years to establish a State Climate Action Plan and a Coastal Master Plan, which have identified opportunities for the state to plan for and invest in resilience alongside mitigation of greenhouse gas emissions. To prepare for new investments in resilience and reliability, the State of Louisiana established an Interagency Working Group and developed a stakeholder outreach process in Summer 2022. Through these outreach efforts, the State was able to begin developing a set of goals, objectives, strategies, priorities, and mechanisms for reducing the impact of outages on the state’s residents and businesses, with a focus on addressing the needs of those most vulnerable to a changing climate and socio-economically disadvantaged residents.

In May 2023, Louisiana was one of first four states and two Tribal Nations to receive an award in the first award cycle of the [Grid Resilience State and Tribal Formula Grants Program](https://www.energy.gov/gdo/grid-resilience-statetribal-formula-grant-program) under the [Bipartisan Infrastructure Law](https://www.energy.gov/gdo/bipartisan-infrastructure-law). The U.S. Department of Energy awarded $15,990,093to the State of Louisiana for the first two years of the five-year program**.** The awardis designed to strengthen and modernize Louisiana’s power grid against wildfires, extreme weather, and other natural disasters and to provide a reliable power infrastructure to all communities to have access to affordable, reliable and clean electricity.

### 1.1.1 Funding Objectives

The funding under this program will support projects, awarded through a competitive process, that support five core state objectives: **resilience**, **environment**, **equity**, **affordability**, and **safety**. The set of metrics and strategies described below will be used to effectively track whether investments achieve State goals.

**1.1.1.A. RESILIENCE**

**Objective**: Modernize the power infrastructure system to withstand the stresses and shocks from extreme weather events and large-scale disruptions and move toward a secure, resilient, and affordable grid.

**Intended Outcome**: Reduce the frequency, duration, and impact of outages for Louisiana residents, businesses, and critical services.

**Metrics** to measure effectiveness:

* **Improvement in Outage Duration.** Reduction in SAIDI (System Average Interruption Duration Index) for customers in targeted community area.
* **Improvement in Outage Frequency.** Reduction in SAIFI (System Average Interruption Frequency Index) for customers in targeted community area.
* **Reduction in Long-Duration Outages.** Reduction in CELID (Customers Experiencing Long Interruption Duration) for customers in targeted community area.
* **Increased DER Critical Capacity.** Increasedpower (MW) and energy (MWh) capability of installed distributed energy resources as a percentage of business-as-usual and critical power capacity needs for targeted community areas.

**1.1.1.B. ENVIRONMENT**

**Objective**: Build the next-generation sustainable, customer-centric, carbon-free grid.

**Intended outcome**: Reduce greenhouse gas emissions, pollutants impacting public health, fuel costs, and energy burden in Louisiana (particularly in disadvantaged communities).

**Metrics** to measure effectiveness:

* **Reduction in Surface Level Pollutants.** Reduction in NOx and PM in disadvantaged communities as a result of low- and zero-emission vehicle deployments.
* **Reduction in Fuel Costs.** Reduction in whole-wallet fuel costs due to electrification investments.
* **Reduction in Greenhouse-Gas emissions.** Reduction in site and source GHG emissions from targeted investments.

**1.1.1.C. EQUITY**

**Objective**: Advance more equitable, economically sustainable, and resilient communities throughout Louisiana.

**Intended Outcome**: Create new careers, training, and apprenticeship opportunities for residents in disadvantaged communities/businesses and enable residents to have safe and efficient homes.

**Metrics** to Measure Effectiveness:

* **Residents in Weatherized Homes.** Number of residents, including residents from disadvantaged communities, in homes that have been weatherized to better withstand extreme heat and cold outage events, the peak reduction capacity (MW) of weatherized homes, and the hours of resiliency in those homes.
* **New careers.** Number of FTEs from disadvantaged communities on funded projects, out of the total number of FTEs on funded projects.
* **New trainees.** Number of residents of disadvantaged communities receiving training and participating in apprenticeship programs, as part of funded projects.
* **Disadvantaged Businesses.** Total % of project funding spent with Disadvantaged Business Enterprises (DBEs), and the total number of new DBEs created.

**1.1.1.D. AFFORDABILITY**

**Objective**: Reduce overall energy burden, particularly for disadvantaged communities, and ensure energy costs remain competitive.

**Intended Outcome**: Reduce energy bills and energy burden for disadvantaged communities, take advantage of new federal and private funding, and reduce the cost of long-duration outages for communities.

**Metrics** to measure effectiveness:

* **Bill Savings.** Total energy cost savings (whole wallet) for customers in targeted communities, and average per customer energy cost savings for residents of disadvantaged communities.
* **Reduction in Energy Burden.** Reduction in energy costs, as a percentage of income, for residents of disadvantaged communities.
* **Residents Served by Community Resilience Centers.** Total person capacity of community resilience centers deployed to serve residents of disadvantaged communities, and the total resilience capability (in hours) of resilience centers.

**1.1.1.E. SAFETY**

**Objective**: Ensure the continued, safe operation of the energy system by instituting standard safety practices and planning new investments through a safety lens.

**Intended Outcome**: Reduce customer- and grid-side power quality and wires down instances while improving awareness of new safety considerations with distributed energy solutions.

**Metrics** to Measure Effectiveness:

* **Improvement in Power Quality.** A reduction in the Momentary Average Interruption Frequency Index (MAIFI) for targeted customers.
* **Reduction in Wires Down Events.** A reduction in Wires Down incidents involving overhead electric primary distribution circuits.
* **Safety Training.** Number of line workers, distributed energy installers, and community members trained on safety procedures during hazards and for distributed energy.

### 1.1.2. Priority Projects

Through the stakeholder process and public hearing, the State considered both (a) the amount of funds available under this program in comparison to typical project costs (i.e., what projects would be most cost effective) and (b) which targeted solutions could best meet the objectives and metrics of the program. Ultimately, the State finds projects that include one or more of the following project types to be most advantageous to meeting the program goals and will be prioritized for funding under this program:

* **Critical Facility Microgrids**. Grid-connected and behind-the-meter generation, storage, and controls for hospitals, emergency, water treatment and pumping, and other life-essential services. Projects should include the ability to island (standalone) from the main grid, ideally with black-start capability (ability to start up independently after an outage).
* **Community Microgrids**. Community-oriented local grid system with connected DER, storage, and controls for a defined set of residential and commercial buildings to enable communities to be resilient in place. Projects should include the ability to island (standalone) from the main grid, ideally with black-start capability (ability to start up independently after an outage).
* **Community resilience hubs.** Create local / community-based resilience hubs (e.g., cooling / heating centers, first responders, food and supplies, charging stations) to help a community ride out outage events in their own neighborhood. Projects could include microgrids.
* **Vehicle-to-Building and Vehicle-to-Grid.** Leveraging energy storage in vehicles to provide critical back-up and other services to improve resiliency in buildings or the local distribution grid.

### 1.1.3. Definitions

“Eligible Entities” for subawards under this funding, pursuant to BIL Sec. 40101(d), include:

* An electric grid operator,
* An electricity storage operator,
* An electricity generator,
* A transmission owner or operator,
* A distribution provider,
* A fuel supplier, and
* Other relevant entity, as may be determined by the Secretary of the US Department of Energy (DOE).

Louisiana DNR is working with the US DOE to additionally qualify as eligible entities the following: units of local government, critical facilities, non-profit organizations, and co-ops whose organizational mission is to serve, and benefit disadvantaged communities throughout the State of Louisiana.

Eligible “Community-Based Project Partnerships,” as described in Section 1.1.4 (“Funding Distribution”) must meet the following criteria:

* Led by a community or co-op utility, unit of local government, community-based non-profit, company located in a disadvantaged community, or other state approved entity.
* Work with the local community through meaningful engagement.
* Substantially and meaningfully provide benefit to disadvantaged communities.
* Include carbon-free energy sources.

“Small utility set-aside,” as described in Section 1.1.4 (“Funding Distribution”) and 1.1.5 (“Matching Requirements”) are defined by the US Department of Energy as entities selling not more than 4,000,000 megawatt hours of electricity per year.

### 1.1.4. Funding Distribution

The target funding distribution for the first two years of the program is as follows:

**Table 1. Funding Distribution**

|  |  |  |
| --- | --- | --- |
|  | **Benefitting Disadvantaged Communities** | **Any Location** |
| **Projects able to be completed < 24 months** | $4,603,207.50 | $4,603,207.50 |
| **Early-Stage Community-Based Project Partnerships** | $3,682,566.00 |  |
| **All Other Timing** | $1,160,809.50 | $1,160,809.50 |

The ultimate allocations may differ from the target allocations in the table above, based on the finalized amounts of awarded projects.

Further, the State will provide a small utility set-aside of at least **24.72%** of its total budget amount to entities selling not more than 4,000,000 megawatt hours of electricity per year. This would set a maximum limit of grants to eligible entities that sell more than 4,000,000 megawatt hours of electricity per year at 75.28% of the total program budget. Nothing in this set-aside calculation is intended to represent that eligible entities that sell not more than 4,000,000 megawatt hours of electricity per year are limited to 24.72% of the overall budget.

As shown in Table 1 above, the State intends to award more than 50% of funds to projects that are located in and/or can demonstrate benefits to Disadvantaged Communities.

### 1.1.5. Matching Requirements

Applicants that are small utilities (sell not more than 4,000,000 megawatt hours of electricity per year) must demonstrate a match of 33% of the grant amount.

All other applicants must demonstrate a match of 100% of the grant amount.

### 1.1.6. Program Requirements

Any grantee receiving funds under this program will be subject to the applicable requirements of Administrative and Legal Requirements Document for DE-FOA-0002736 (DE-FOA/ALRD-0002736), as amended (ALRD), available [here](https://www.fedconnect.net/FedConnect/default.aspx?ReturnUrl=%2ffedconnect%2f%3fdoc%3dDE-FOA-0002736%26agency%3dDOE&doc=DE-FOA-0002736&agency=DOE), unless otherwise noted. The Applicants must be able to provide information required and comply with the requirements of the ALRD applicable to the recipients of the funding.

## 1.2 PURPOSE OF REQUEST FOR PROJECTS

This Request for Projects is a competitive process that is being used to solicit projects from interested entities to meet the funding objectives of this program. However, this process has been designed to reduce the burden on entities seeking to apply for funding, ensure alignment on funding objectives with respondents, identify needs for technical assistance, and create a collaborative process for project design. The competitive process will be divided into stages:

1. **Pre-application.** The pre-application process will provide respondents with an accessible, easy-to-navigate method for outlining their proposed project to LDNR for selection. The pre-application process will provide the opportunity for entities with limited bandwidth to describe their project, demonstrate the ability of their project to meet program objectives, and receive rapid feedback on their project. LDNR will evaluate projects submitted under the pre-application process on their likelihood and ability to meet program objectives.
2. **Shovel-Ready Projects**. Based on a review of a pre-application, a project may be identified as a candidate for funding as a shovel-ready project. Such projects would enter into negotiations with LDNR for accelerated funding for project development.
3. **Early-Stage Community-Based Project Partnerships.** Based on a review of a pre-application, a project may be identified as a candidate for funding as an early-stage Community-Based Project Partnership (ESCBPP). Such projects will be evaluated on their community engagement and planning strategy, and the ability of the ultimate project developed as part of the partnership effort to meet program objectives.

Projects that submit an application for a Shovel-Ready Project that are not selected for funding under that program will be given the option to pursue funding as an Early-Stage Community-Based Project Partnership. Such an option will be provided if LDNR feels that additional planning and community engagement would enable project success.

After the initial pre-application deadline, the LDNR reserves the option to open a competitive, rolling application window for project selection. LDNR anticipates that if it opens a competitive rolling application process, based on the availability of program funds, applications will be accepted on a quarterly basis and evaluated competitively as a batch, based on the ability of a project to meet program objectives.

## 1.3 PRE-APPLICATION

Entities interested in applying for funding shall provide the following information about a potential project that they intend to submit.

1. **Project** **executive summary** (no more than 1 page).
2. **Project participants & qualifications** (no more than 1 page). Please describe each entity involved in the proposed project. Indicate if any entity falls into the following category: small utility, community or co-op utility, unit of local government, community-based non-profit, company located in a disadvantaged community.
3. **Project location** (no more than 1/2 page).Indicate the location of the project, including whether it is located in the Disadvantaged Communities as defined by the Climate and Economic Justice Screening Tool, developed by the White House Council on Environmental Quality.
4. **Anticipated Community Benefits and Equity** (no more than 1 page). Describe anticipated Community Benefit(s) that will be provided by the project and how. Indicate which communities will benefit from the project and provide an overview of any anticipated quantifiable results, including anticipated reductions in duration and frequency of outages and number of customers benefiting from these reductions, and their census tract. Provide an overview of whether and how the project can reach historically underserved populations, racial minorities, and women, that create the connectivity and conditions for growth where they may not exist, such as in rural and underserved communities.[[1]](#footnote-1) Applicants are encouraged to share maps, spreadsheets, or other detailed data to support their narrative.
5. **Funding Objectives** (up to 1 page).Describe how the proposed project meets any or all of the Objectives outlined above in Section 1.1.1, and the applicant’s ability to demonstrate compliance with the highlighted metrics and strategies as well as demonstrate benefits to the disadvantaged communities.
6. **Project** **timeline** (Up to 1/2 page). Please provide an overview timeline of the project, with the option of using the provided sample workplan timeline in Attachment X. Further, projects should identify whether the project falls within one of the following categories:
	1. can be completed within a 24-month time period;
	2. is a Community-Based Project Partnership; or
	3. any other timing.
7. **Project** **costs breakdown**. Respondents should fill out the accompanying table in Attachment A (using the tab labeled “Part I – Cost”).
8. **Performance measurement.** Respondents should fill out the metrics checklist in Attachment A (using the tab labeled “Part II – Metrics”), identifying which metrics the respondent believes apply to the project.
9. **Funding Compliance Requirements.** In responding to the request for projects, applicants acknowledge that they are aware of the following compliance requirements related to this US Department of Energy subaward.
	1. **Workforce and Labor Standards**. Describe proposed strategy to ensure the project will use strong labor standards and protections and drive creation of good-paying and safe jobs.[[2]](#footnote-2)
	2. **Davis-Bacon Act compliance**. Certify that the project will comply with the requirements of the “Davis-Bacon Act” and will pay all of the laborers and mechanics performing construction, alteration, or repair work in excess of $2,000 on projects funded directly by or assisted in whole or in part by and through funding under the award, wages at rates not less than those prevailing on projects of a character similar in the locality as determined by subchapter IV of Chapter 1 of Title 40, United State Code commonly referred to as the “Davis-Bacon Act.”[[3]](#footnote-3)
	3. **Cybersecurity**: Certify that the primary purpose of the proposed project is not cyber security but that the implementation of the proposed project will adhere to any applicable cybersecurity requirements, and where possible, best practices in deploying technologies under their subaward.[[4]](#footnote-4)
	4. **No Foreign Work and Materials**. Certify that no individuals participating in the project are participating in a Foreign Government-Sponsored Talent Recruitment Program of a Foreign Country of Risk[[5]](#footnote-5) as defined in the ALRD and that all work performed for the project will be performed in the United States and no foreign travel will be involved.[[6]](#footnote-6) Certify that all iron, steel, and manufactured products used in the infrastructure work are produced in the United States and all construction materials used in the infrastructure work are manufactured in the United States.[[7]](#footnote-7) Indicate if a waiver can be requested as specified in Appendix B and C of the ALRD.[[8]](#footnote-8)
	5. **Telecommunications and Surveillance**. Certify that the requested funding will not be used to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system as defined in the ALRD.[[9]](#footnote-9)
	6. **Other Ineligible Activities**. Certify that the requested funding will not be used to encourage or support political activities such as the collection and dissemination of information related to potential, planned, or pending legislation or directly or indirectly support or oppose union organizing.[[10]](#footnote-10)

# 2 ADMINISTRATIVE INFORMATION

## 2.1 SCHEDULE OF EVENTS

LDNR reserves the right to deviate from this Schedule of Events at any time and without notice.

**Activity/Event**

Public Notice of Request for Projects: December 1, 2023

Deadline for Receipt of Pre-Applications: January 8, 2023

Anticipated initial project selections: February 2024

Optional Rolling Application Window Opening: February 2024

## 2.2 RESPONSE INSTRUCTIONS

Respondents interested in submitting a pre-application to this request for projects must submit responses, not to exceed five (5) total pages in length, excluding attachments, no later than the deadline for Receipt of Pre-Applications in the Schedule of Events.

The responses must be received by electronic copy only to 40101d@la.gov on or before the date and time specified in the Schedule of Events. Please include “RFP Preventing Outages and Enhancing the Resilience of the Electric Grid” in the subject line of the email.

Responses must be provided as a Microsoft Word (.docx) attachment or PDF attachment to the email.

Email submission is the only acceptable method of delivery. Fax, mail, and courier delivery shall not be accepted. Responses misdirected or otherwise received late, or corrupted files, may not be reviewed.

## 2.3 ADDITIONAL INSTRUCTIONS AND NOTIFICATIONS TO RESPONDENTS

### 2.3.1 Addendum(s)/Cancellation

LDNR reserves the right to revise any part of this request for projects by issuing an addendum(s) to the request for projects at any time. Issuance of this request for projects, or subsequent addendum(s), if any, does not constitute a commitment by LDNR to fund any project. In addition, LDNR may cancel this request for projects at any time, without incurring any liability from responders or potential responders.

### 2.3.2 Ownership of Response

The materials submitted in response to this request for projects shall become the property of the State.

### 2.3.3 Cost of Preparation

LDNR shall not be liable to any responders or potential responders for any costs incurred in developing a response, preparing for discussions (if any are held), or any other costs that may be incurred by a responder, or potential responder, responding to this request for projects.

1. ALRD, Amendment 7, pages 24-25. [↑](#footnote-ref-1)
2. ALRD, Amendment 7, pages 9, 22-24. [↑](#footnote-ref-2)
3. ALRD, Amendment 7, pages 37-39. [↑](#footnote-ref-3)
4. ALRD, Amendment 7, pages 11, 34. [↑](#footnote-ref-4)
5. ALRD, Amendment 7, pages 29-30. [↑](#footnote-ref-5)
6. ALRD, Amendment 7, pages 35-36. [↑](#footnote-ref-6)
7. ALRD, Amendment 7, pages 36-37, 61-64. [↑](#footnote-ref-7)
8. ALRD, Amendment 7, pages 36, 60-64. [↑](#footnote-ref-8)
9. ALRD, Amendment 7, page 47. [↑](#footnote-ref-9)
10. ALRD, Amendment 7, page 46. [↑](#footnote-ref-10)