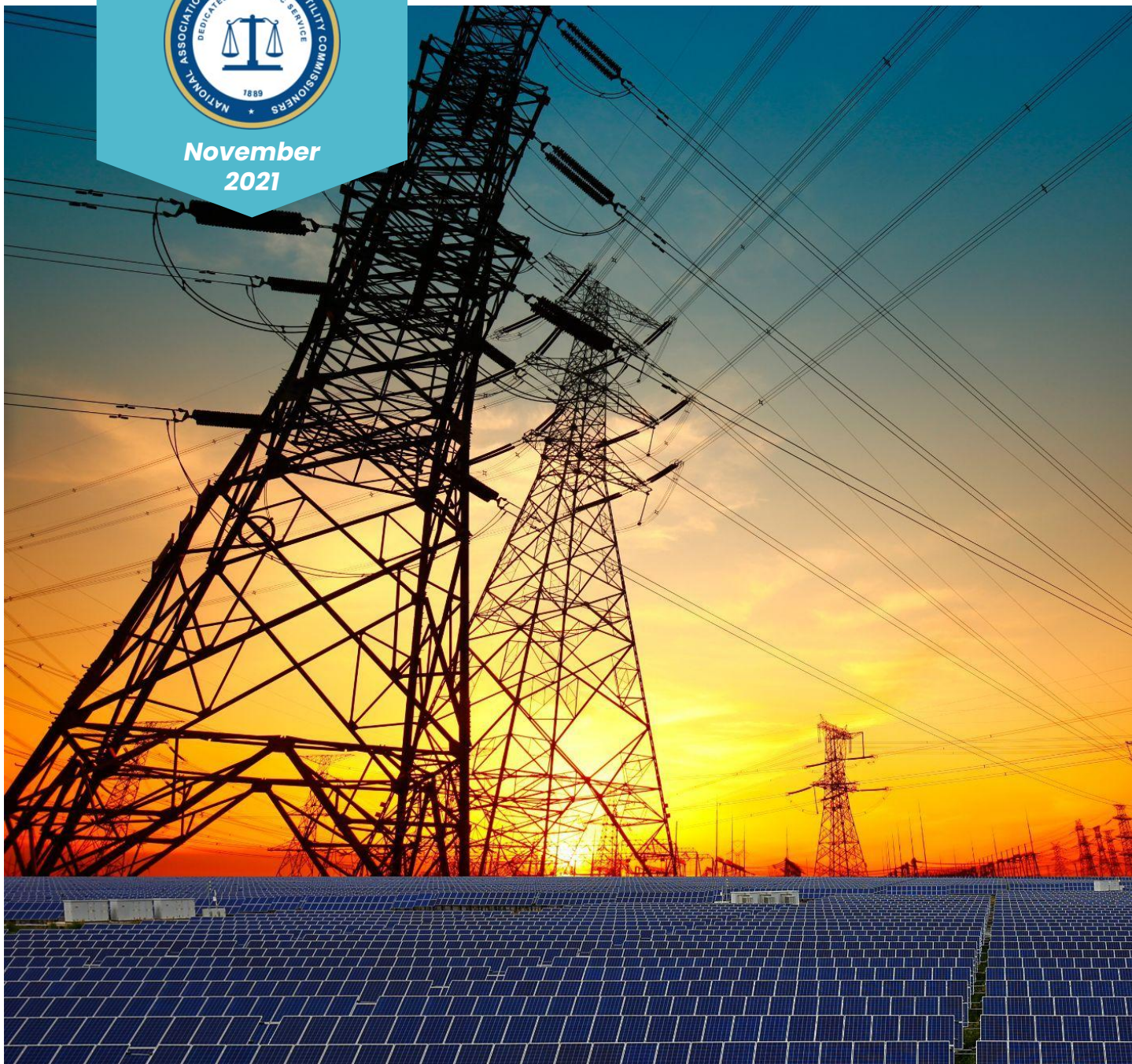




**November
2021**



Federal Funding Opportunities for Pre- and Post-Disaster Resilience GUIDEBOOK

Prepared for the National Association of Regulatory
Utility Commissioners

ABOUT NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS



Founded in 1889, the National Association of Regulatory Utility Commissioners (NARUC) is a non-profit organization dedicated to representing the state public service commissions who regulate the utilities that provide essential services such as energy, telecommunications, power, water, and transportation.

NARUC's mission is to serve in the public interest by improving the quality and effectiveness of public utility regulation. Under state law, NARUC's members have an obligation to ensure the establishment and maintenance of utility services as may be required by law and to ensure that such services are provided at rates and conditions that are fair, reasonable, and nondiscriminatory for all consumers.

To learn more about NARUC, visit: www.naruc.org.

ABOUT CONVERGE STRATEGIES, LLC



Converge Strategies, LLC (CSL) is a consulting company focused on the intersection of clean energy, resilience, and national security. CSL works with civilian and military partners to develop new approaches to energy resilience policy and planning in the face of rapidly evolving threats, vulnerable infrastructure, and determined adversaries.

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How to Use This Guidebook | This guidebook helps utility regulators initiate and facilitate an informed conversation about risk-reduction or mitigation projects with their stakeholders. Each section has several educational components, including program summary, eligibility requirements, important deadlines, and key takeaways that tie each program to a utility commission’s priorities. For more in-depth information about each grant, utility regulators and stakeholders can look to the additional resources included at the end of each section.



EXECUTIVE SUMMARY

The increasing frequency and severity of natural disasters, ranging from wildfires to hurricanes and flooding, substantially impact community, city, and state infrastructure. The federal government and other organizations have established a variety of funding mechanisms to support rebuilding after disasters strike. Federal mitigation and resilience funds have increased in recent years to support investments in infrastructure that can withstand future conditions.

State utility regulators can play a critical role in helping their state energy offices, executive leadership, emergency management professionals, and local utility partners take advantage of these funding opportunities to build more resilient systems. Utility commissions can provide perspective on balancing ratepayer investments with grant opportunities to state offices and can bring increased awareness to potential primary applicants and the utility industry of how federal resources can be deployed for emergency preparedness. This Guidebook offers an overview of the federal funding pools most useful for regulatory utility commissioners to consider as they help pursue state energy policy goals.

Funding sources differ in their availability, applicant requirements, and amounts. Below are several key takeaways for utility regulators interested in federal funding opportunities for mitigation and disaster response and recovery:

- ***Timelines matter!*** Every funding opportunity operates with a different timeline, and a lack of awareness of the various milestones of the application process can render an application unsuccessful. It is important for utility regulators to consider how quickly a project needs to be implemented, which stakeholders should be engaged and when they should be contacted, and generally how the success of the project will depend on the application and grant timeline.

- **Funding pools for mitigation and disaster response are generally separate.** Project proposals should be catered towards different grants depending on whether they are response- or mitigation-based, which can greatly affect a state's grant application strategy. For example, a state or region that experiences frequent natural disasters and might receive more post-disaster funding as a result could include plans to build back better in some of their proposals; however, projects related to future mitigation might best fit within a separate application. Recognizing which funding pools are generally available for mitigation activities versus which are triggered by an event is important for utility regulators and stakeholders in their resilience planning.
- **Utility regulators should be realistic about which grants they encourage utilities or other organizations to pursue.** The primary objective of this Guidebook is to equip utility regulators with the knowledge they need to decide which grants best fit their constituents' needs. A secondary objective is to clearly point out who is and is not a good fit for a grant application. Federal funding grants are competitive, and increasingly so in an era of more frequent natural disasters. Selectively pursuing one or two grants rather than many can improve a utility's or state's chance of success.



OVERVIEW OF PROGRAMS

Program	Agency	Project Timeline	Funding Pool	Cost Share Required	Disaster Relief or Hazard Mit.	Project Examples
Stafford Disaster Relief & Emergency Assistance Act		Varies by program avenue	Varies by program avenue	Varies by program avenue	Both	<ul style="list-style-type: none"> ■ Floodwall construction ■ Utility infrastructure upgrades
Hazard Mitigation Grant Program		3 years	\$597 million (FY 2020)		Hazard Mitigation	<ul style="list-style-type: none"> ■ Transmission line hardening ■ Generation plant construction
Building Resilient Infrastructure & Communities Program		3 years	\$1 billion (FY 2021)		Hazard Mitigation	<ul style="list-style-type: none"> ■ Master planning activities ■ Microgrid design + feasibility
State Homeland Security Grant Program		5 years	\$415 million (Annually)		Hazard Mitigation	<ul style="list-style-type: none"> ■ Diesel-powered generators
Community Development Block Grant Mitigation Program		12 years	\$18 billion (Total Allotted)		Disaster-Relief	<ul style="list-style-type: none"> ■ Emergency genset deployment ■ Natural gas plant construction
Community Development Block Grant-Disaster Recovery		6 years	\$67 billion (Active Grants)		Disaster-Relief	<ul style="list-style-type: none"> ■ Wastewater plant floodproofing ■ Combined cycle generation plant
Defense Critical Infrastructure Program		5 years	\$60 million (FY 2021)		Hazard Mitigation	<ul style="list-style-type: none"> ■ Emergency Medical Services substation ■ Utility infrastructure for service members
Military Installation Resilience Review		1 to 2 years	\$9 million (FY 2021)		Hazard Mitigation	<ul style="list-style-type: none"> ■ Environmental assessment ■ Threat identification for infrastructure

Stafford Disaster Relief and Emergency Assistance Act



Enacted by the 100th United States Congress on November 23, 1988

Program Summary

The Robert T. Stafford Disaster Relief and Emergency Assistance Act sets up a federal funding mechanism and a recovery planning process for state and local governments after disasters, including through programs like Hazard Mitigation Assistance (HMA) and Public Assistance (PA), among others. This act establishes eligibility for certain entities to receive federal funding after a presidential disaster declaration.

There are several ways entities apply for Stafford Act funds, depending in part on whether the funding is available annually or episodically. For example, the state applies on behalf of subapplicants for the annual HMA Flood Mitigation Assistance (FMA) program. In the case of funding programs that are triggered after a presidentially declared disaster, such as Public Assistance, non-state entities might be applicants.

After a disaster event, State and Federal officials perform a Preliminary Damage Assessment (PDA) to calculate the impact of the disaster on people and public property. The Governor includes this assessment in their request to the President. Based on this request, the President may declare the emergency a Presidential Disaster, thus triggering a variety of federal programs to support post-disaster response and recovery. Visit [Preliminary Damage Assessments](#) for more information on how the PDA process works.



Presidential Disaster Declaration | A presidential disaster declaration opens the door to Stafford Act funding. Historically, a small number of states are eligible for this type of funding because a state's eligibility is based on a presidential or emergency disaster declaration. However, the COVID-19 pandemic is a unique type of disaster. All states have received a presidential disaster declaration, allowing them to apply for programs that they might not have qualified for in the past.

Stafford Disaster Relief and Emergency Assistance Act



Enacted by the 100th United States Congress on November 23, 1988

Program Overview

The Stafford Act maps out how to request and receive a presidential disaster declaration, outlines different types of resources available from the federal government, and identifies the parameters for how to coordinate with FEMA to pursue that assistance. It also introduces two types of disaster declarations: Emergency Declarations, which can supplement states up to \$5 million to lessen or avert a disaster threat, and Major Disaster Declarations, which provide funds for both emergency and permanent work that can amount to billions of dollars. *Additional details about this process are found at [How a Disaster Gets Declared](#).*



Key Regulatory Takeaway: Utility regulators and their stakeholders should familiarize themselves with the PA and HMA programs. In their current form, these programs provide excellent opportunities for funding. They can also be used as a foundation for realizing broader state objectives, such as reaching renewable energy or energy efficiency goals.

Program Eligibility

Several types of funding options are available depending on the type of disaster and type of project an entity wants to pursue. Depending on the program, funding can be available to states, tribes, local governments, individuals, and specific types of private nonprofit organizations (e.g., electric cooperatives) either after disasters or on a yearly basis.



Key Regulatory Takeaway: Because of COVID-19, all states are eligible for disaster funding currently. The Public Assistance program could be a particularly valuable funding source for cooperatives and publicly owned utilities because states have historically had trouble spending all the money they are awarded for that program.

Program Name	Applicants	Relevant Info
Hazard Mitigation Assistance	States, Counties, Cities, Tribal Nations	Several programs support long-term mitigation planning and projects after a Presidential major disaster declaration, such as: the Flood Mitigation Assistance Program, Hazard Mitigation Grant Program (HMGP), HMGP Post-Fire Grant, and Building Resilient Infrastructure and Communities (BRIC).
Public Assistance	Public and qualifying private nonprofit entities, such as publicly owned utilities and electric cooperatives	Eligible activities include specific emergency services and the repair or reconstruction of disaster-damaged public facilities.

Stafford Disaster Relief and Emergency Assistance Act



Enacted by the 100th United States Congress on November 23, 1988

Project Execution Logistics

Depending on the program, the execution timeline and cost sharing will be different. Cost share is usually split 75% federal and 25% local, but ultimately is dependent on the program and situation. It is best to consult with the State's Hazard Mitigation Officer (SHMO) for more information on specific requirements. FEMA maintains a list of [State Hazard Mitigation Officers](#).

Case Studies

Puerto Rico Electric Power Authority

\$9.6 billion

In 2017, Hurricane Maria severely damaged the public power authority's infrastructure and PREPA sought support in restoring their grid. Per the Stafford Act, PREPA was eligible for the PA program for "the repair, restoration, and replacement of public facilities." Although many questions remain unanswered, utility regulators and stakeholders can connect with people on the ground in Puerto Rico to hear about the progress Puerto Rico and FEMA have made towards coming to consensus on project funding and use that information to jumpstart their own potential projects. [Puerto Rico to receive nearly \\$10 billion from FEMA.](#)

Jefferson Davis Electric Co-Op Inc.

\$16.9 million

According to the Stafford Act, electric cooperatives and publicly owned utilities are eligible for FEMA funds. After Hurricane Laura disrupted electrical supply to southeast Louisiana in 2020, FEMA granted the Jefferson Davis Electric Co-Op Inc. public assistance funds to provide emergency protective measures that protect the health and safety of the community. [FEMA Awards an Additional \\$33.7 million in Hurricane Laura Public Assistance Grants.](#)

Minot Water Treatment Plant

\$2.1 million

Major flooding impacted the City of Minot, North Dakota and its water treatment plant in 2011, forcing city staff to issue a "boil water" recommendation. FEMA awarded a HMGP grant to the city for \$2.1 million to build a 14-foot floodwall to protect the plant and drinking water from future flood events. This project not only reduces the potential for damage to the water facility but also protects electrical supply and other control components. [Hazard Mitigation Assistance Mitigation Action Portfolio.](#)

Stafford Disaster Relief and Emergency Assistance Act



Enacted by the 100th United States Congress on November 23, 1988

Program Challenges

Program challenges include:

- **Project eligibility.** Each program is unique. Utility regulators and stakeholders can check in with the SHMO's office to ensure that a proposed project fits within the scope of the program for which it is applying.
- **Hazard Mitigation Plan.** Jurisdictions must have an active hazard mitigation plan in order to apply for these programs. These plans give the state and federal government a sense of existing risks and hazards and provide the roadmap for future mitigation actions. Although the hazard mitigation planning process is tedious, it is necessary and helps jurisdictions and service providers justify their funding requests.

Additional Resources

- Links to relevant FEMA programs that fall under the Stafford Act:
 - [Public Assistance \(PA\) Program](#)
 - [Flood Mitigation Assistance \(FMA\) Program](#)
 - [Hazard Mitigation Grant Program \(HMGP\)](#)
 - [HMGP Post-Fire Grant](#)
 - [Building Resilient Infrastructure and Communities \(BRIC\)](#)
- A summary of how a disaster is declared via the Stafford Act and information about first steps:
 - [How a Disaster Gets Declared](#)
 - [Preliminary Damage Assessments](#)
- A list of each state's hazard mitigation officer, including contact information: [State Hazard Mitigation Officers](#)

FEMA Hazard Mitigation Grant Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Program Summary

FEMA's Hazard Mitigation Grant Program (HMGP) is a foundational program in the emergency management community designed to lessen or mitigate future disaster losses. Any state, county, local, tribal or territorial government entity with an approved Hazard Mitigation Plan (HMP) that identifies risks, hazards, and potential mitigation strategies can apply. Additionally, these funds are only made available in states that were impacted by a Presidentially Declared disaster.

Energy infrastructure, specifically "retrofits to utilities and other infrastructure to enhance resistance to natural hazards," is explicitly identified as a example of an eligible project. The merits of project applications are evaluated based on their ability to reduce the cost of future disasters by making assets more survivable in the face of recurring natural or human-made threats. The program also requires a 25% non-federal cost share from the applicant, which often prevents small units of government from proceeding but provides a unique opportunity for utilities with a dedicated source of revenue.

Regulatory Utility Commissions can ensure designated staff are familiar with the HMGP program to better understand federal standards for cost calculation, risk assessment, and mitigation policy. Proactive outreach to eligible utilities with recurring reliability issues or known infrastructure vulnerabilities can improve the quality of electricity service to customers in a manner that reduces the financial burden on ratepayers by up to 75%.



For more information, visit FEMA's [Hazard Mitigation Grant Program](#) website.

FEMA Hazard Mitigation Grant Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Program Overview

FEMA's Hazard Mitigation Grant Program (HMGP) provides funding to state, local, tribal and territorial governments so they can rebuild in a way that reduces, or mitigates, future disaster losses in their communities. This grant funding is available after a presidentially declared disaster.



Key Regulatory Takeaway: HMGP is a proven avenue for providing grants to eligible utilities and can be used for infrastructure retrofits that reduce risk of failure caused by natural hazards. Familiarization with the program's timing and eligibility is important to support state energy goals.

Program Eligibility

States, Territories, and Tribal Nations with a presidential disaster declaration can apply for HMGP funding online via NEMIS, a grants management system, on behalf of subapplicants. Applicants must have a FEMA-approved local Hazard Mitigation Plan (HMP) in place.



Key Regulatory Takeaway: Public utilities and private nonprofits (e.g. cooperatives) qualify as subapplicants within HMGP and must partner with applicants to qualify for grants. Investor-owned utilities are *not* eligible for HMGP. A government partner must be engaged to support the application.

Applicants	States, territories, and tribal governments with an approved Hazard Mitigation Plan.
Subapplicants	Local governments, including cities, townships, counties, state agencies, and tribal governments.
Subapplicant partners	Homeowners, business operators, and non-profit organizations, including public utilities and electric cooperatives.

FEMA Hazard Mitigation Grant Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Project Execution Timeline



Program Funding & Reporting

Grant funding is available after a presidentially declared disaster. States with enhanced mitigation plans can receive up to 20% of the total cost of the declared disaster through HMGP. States without an enhanced mitigation plan can receive funding up to a defined percent of the estimated total or aggregate cost of the declared disaster. In Fiscal Year 2020, the HMGP program administered \$597.1 million in grants.

Estimated Total Cost of Disaster	HMGP Funding Available*
First \$2 billion	Up to 15%
Amounts between \$2 billion and \$10 billion	Up to 10%
Amounts between \$10 billion and \$35.333 billion	Up to 7.5%

*For states without an enhanced mitigation plan.

Note: States with [enhanced mitigation plans](#) can receive up to 20%, not to exceed \$35.333 billion



Key Regulatory Takeaway: HMGP funding is available for every state and federally recognized territory, including any county within a state or territory that has been impacted by a presidentially declared disaster.



Cost Share Requirement: A non-federal cost share is required for all subapplications funded under HMGP; In most cases, the federal and non-federal governments split the cost 75% federal / 25% local match. Some lower-income communities can qualify for a 90% federal / 10% local split.



Reporting Requirement: Quarterly progress reports must be submitted to FEMA on funded mitigation activities. Final reports must be delivered during Standard Closeout.

FEMA Hazard Mitigation Grant Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

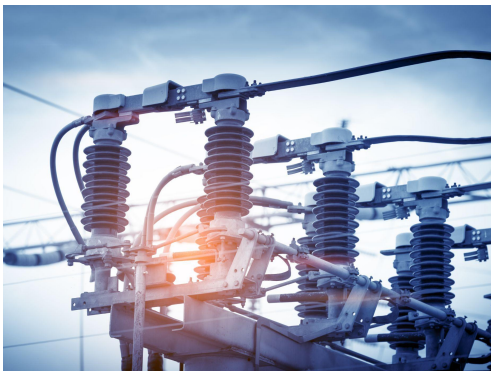
Case Studies



Key Regulatory Takeaway: The HMGP program provides unique funding to directly address infrastructure that experiences recurring impacts but lacks the economic incentives or adequate customer investments to make the necessary improvements. Each example listed below reflects that value.

Southwest Public Power District (SWPPD)

Strengthened 11-mile stretch of 69-kV line that supplied power to approximately 14,000 customers along U.S. Highway 61. Single poles were replaced with new steel structures that met the Rural Utilities Service (RUS) standards. Conductors that were susceptible to galloping were replaced with Twisted Pair (T-2).

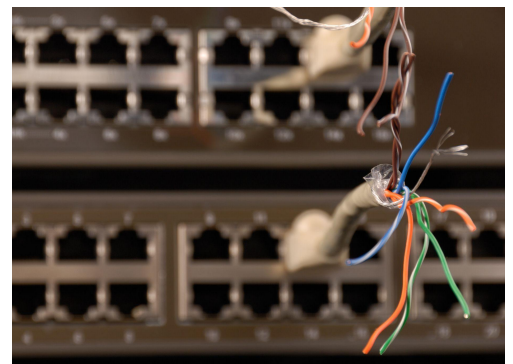


The City of Kiowa, Kansas

Upgraded 15 blocks of power distribution infrastructure that supply power to approximately 1,200 customers. Replaced ACSR open conductors with insulated spacer cable and installed lightning arrestors at each connection point. Strengthened distribution poles to prevent future failures from ice and wind loading.

Puerto Rico Electric Power Authority (PREPA)

Awarded \$26.2 million grant that will be split between two projects: 1) the engineering and design of a new combined cycle generation plant at the Palo Seco Energy Plant and 2) the acquisition and installation of 11 gas turbines in five additional PREPA facilities.



FEMA Hazard Mitigation Grant Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Program Challenges

Applications to FEMA HMGP sometimes failed to receive funding because:

- **Cost Share.** Projects often fail to move forward due to a lack of non-federal funds available to meet the matching requirement. Eligible utilities are uniquely capable of providing funds to a project given their access to capital.
- **Demonstration of Value.** The applicant must show that executing an HMGP project will ultimately save the government money by increasing the survivability of infrastructure to future events. This justification can be difficult to make if the investment is not the direct result of a disaster.

Additional Resources

- [Hazard Mitigation Grant Program \(HMGP\)](#) – The official FEMA website for HMGP. This resource provides instructions for applying and information about funding, eligibility, cost share requirements, management costs, and more.
- [State Hazard Mitigation Officer \(SHMO\)](#) – A comprehensive list of all SHMOs. Subapplicants are encouraged to contact their SMHO to understand which hazards pose the greatest threat and to determine the best strategy for mitigation.
- [Closeout Toolkit: Checklist for Hazard Mitigation Grant Program Subawards](#) – Checklist detailing the Recipient's requests for subaward closeouts, including supporting documentation to verify compliance with the award.
- [Hazard Mitigation Assistance Division Year in Review \(Calendar Year 2020\)](#) – The annual report provides a snapshot of HMGP in 2020, and includes additional information about several power sector case studies.

Building Resilient Infrastructure & Communities Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Program Summary

The Building Resilient Infrastructure and Communities (BRIC) Program is an annual program for capability and capacity-building activities, mitigation projects, and management costs to “reduce or eliminate risks and damages from future natural hazards” (“[Before You Apply for Building Resilient Infrastructure and Communities \(BRIC\) Funds](#)”, 2021) This innovative risk reduction program sets aside 6% of funds from federal post-disaster grant funding (\$500M during FY2020 for 2021 projects, \$1B during FY2021 for 2022 projects) and replaces FEMA’s Pre-Disaster Mitigation (PDM) Grant Program. Eligible applicants include all 50 states, U.S. territories, federally recognized tribal governments, and the District of Columbia, if the state / territory has been issued major disaster declarations in the last seven years. Additionally, the jurisdiction applying for BRIC funds must have an approved Hazard Mitigation Plan and potential projects must meet the two latest consensus codes.*

What separates BRIC from other large funding sources is that this program funds a plethora of capacity-building projects, including but not limited to project scoping, building code projects, and additional activities for wildfire and wind implementation. BRIC specifically calls out community lifeline projects, such as energy (power and fuel) projects as one of the program’s priorities. Promoting partnership, enabling large infrastructure projects, and encouraging and enabling innovation are key guiding principles that provide flexibility for applicants to build a culture of preparedness and ready themselves for natural disasters.

Because BRIC is a newer FEMA program, regulatory utility commissions or their partners can work with FEMA BRIC staff to dissect what types of energy infrastructure projects are eligible for funding and describe why the applicant is eligible in a narrative that can be transposed into an application. By communicating an understanding of eligibility criteria through well-crafted messaging in their grant applications, applicants can increase their chances of being selected. Coordinating at the state and local level prior to the application period is also important because jurisdiction applies as a subapplicant on businesses’ behalf.

Building Resilient Infrastructure & Communities Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Program Overview

In FY2021, FEMA's BRIC Program will set aside \$1 million for each state and \$25 million for federally recognized tribes for 2022 applications. The remaining BRIC funds (~\$919M for FY2021) are then available competitively for projects that meet BRIC priorities, some of which include promoting public infrastructure projects and mitigating risk to one or more lifelines. *For more information, visit [Notice of Funding Opportunity for Hazard Mitigation Assistance Grants](#).*



Key Regulatory Takeaway: BRIC is one of the first large-scale federal programs to prioritize resilience, instead of focusing on response after disaster events occur. Regulators can take advantage of this opportunity by learning about the new BRIC program and passing along guidance to their stakeholders.

Program Eligibility

FEMA requires that applicants and subapplicants have an approved Hazard Mitigation Plan upon application and award, and have received a major disaster declaration during the previous seven years. *Eligibility requirements can be found at [Before You Apply for Building Resilient Infrastructure and Communities \(BRIC\) Funds](#).*



Key Regulatory Takeaway: From an eligibility standpoint, BRIC is a very similar program to the HMGP. Utilities need partners from local and state levels of government. Regulators can assist in convening these groups and facilitating conversations that jumpstart the application process.

Applicants	All 50 states, U.S. territories, federally recognized tribal governments, and D.C.
Sub applicants	Local governments, tribal governments, state agencies, and tribal agencies.
Sub applicant partners	Homeowners, business operators, and non-profit organizations.

Example BRIC Application

A utility company in California wants to partner with a city to reduce the risk from sea level rise at an electrical substation. The city (subapplicant) coordinates with the state (e.g., California Office of Emergency Services) to submit the project application. The utility, known in this case as the subapplicant partner, can help the city develop the project idea for the application and can offer part of the funding match to support the project. *Learn more at [Before You Apply for Building Resilient Infrastructure and Communities \(BRIC\) Funds](#).*

Building Resilient Infrastructure & Communities Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Project Execution Timeline



Program Funding & Reporting

BRIC funding is available each year on an annual cycle. In 2022, each state will be allocated up to \$1 million for projects, half of which can be used for mitigation planning and planning-related activities. During FY2020, the national competition total was \$446.4M with a maximum of up to \$50M per project. The subtotal is expected to increase up to \$919M for 2022's cycle.



Key Regulatory Takeaway: Utility regulators can educate themselves on how the BRIC program can be leveraged to support resilience for their stakeholders. There will be a substantial increase in federal funding for this program for FY2021, for which applications will close in January 2022.



Cost Share Requirement: In most cases, the federal and non-federal governments split costs 75% to 25%. Small impoverished communities can be eligible for up to 90% of their requested funding. It is important to note that in this case, the cost share does not need to be cash, and instead can include a combination of 'staff hours, materials, and donations.'



Reporting Requirement: Grant recipients must submit financial and tracking reports each quarter throughout the period of performance. Reporting also must occur during partial calendar quarters and periods when no activity funded by the grant takes place.

Uses of BRIC Assistance	Subapplicants	Total Costs	% Requested	% Selected
Mitigation Projects	65	\$766.1 million	15.2%	19.3%
Capacity Building Activities	272	\$36.72 million	N/A	80.7%
Management Costs	69	\$78.3 million	N/A	N/A
Direct Technical Assistance	8	N/A	N/A	N/A

Building Resilient Infrastructure & Communities Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Case Studies



Key Regulatory Takeaway: As of September 2021, the first cycle of BRIC funding has not been officially awarded. The list below includes titles and breakdowns of several projects that were selected for further review by BRIC staff in July 2021 on the [BRIC FY 2020 Subapplication Status website](#).

Honolulu Board of Water Supply Emergency Power Master Plan



HI

\$100,000 total funds
(\$75,000 Fed. share)

Developing emergency power master plans is a fundamental piece of putting a hazard mitigation plan into action. For FY2021, each state can use up to \$500,000 of their \$1M allotment to funding planning activities.

Feasibility Study + Preliminary Design for Microgrid Power on Tangier Island



VA

\$126,000 total funds
(\$114,000 Fed. share)

Before BRIC, jurisdictions often had trouble funding project scoping activities. Small impoverished communities might not have been able to afford that first step of identifying what they needed to do to become more energy resilient. With the BRIC program, all jurisdictions may apply for funding to pay for project scoping activities.

LREC Powerpole Wildfire Mitigation Project

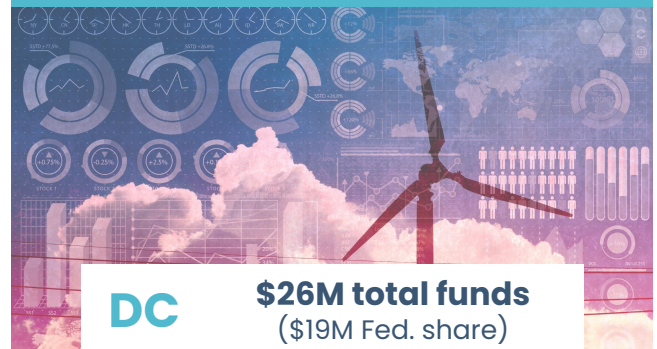


ID

\$72,000 total funds
(\$64,000 Fed. share)

The BRIC program opens the door to wildfire mitigation projects that are relevant to utility providers around the country.

Saint Elizabeths Hospital Campus & DC Emergency Comms. Microgrid Project



DC

\$26M total funds
(\$19M Fed. share)

Critical lifelines are an important part of the BRIC program. This project combines a microgrid solution with a hospital and emergency communications effort.

Building Resilient Infrastructure & Communities Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Program Challenges

Understanding eligibility is a major challenge because the BRIC program is a relatively new program with many qualitative attributes. Mitigation projects must be:

- **“Cost-effective.”** The proposed project must be cost-effective using FEMA’s Benefit-Cost Analysis (BCA) tool. Using the BCA tool correctly can be extremely challenging, and it is imperative to bring someone onto the application development process who already has an understanding of how to use this tool.
- **“Reduce / eliminate risk and damage from future natural hazards.”** Building this element into an application may prove difficult for certain scenarios. For instance, BRIC staff denied many projects during FY2020, such as earthquake retrofits, because they did not reduce or eliminate risk.

Additional Resources

- [Building Resilient Infrastructure and Communities \(BRIC\) Home Page](#): Relevant information about what types of projects are eligible for funding, an overview of how to apply for funding, and dates / deadlines.
- [Resources for the Building Resilient Infrastructure Communities Program \(BRIC\)](#): Resources for how to use the BRIC grant program to support various mitigation activities.
- [Before You Apply for Building Resilient Infrastructure and Communities \(BRIC\) Funds](#): Eligibility criteria for applying to the BRIC program.
- [Notice of Funding Opportunity \(NOFO\) for Hazard Mitigation Assistance Grants](#): An introduction of the BRIC program and an outline of available funding.
- [After You Apply for Building Resilient Infrastructure and Communities \(BRIC\) Funds](#): Applicant support for what happens after the application process, including requirements and tracking.
- [Building Resilient Infrastructure and Communities FY 2020 Subapplication Status](#): A list of proposed projects for FY2020.

State Homeland Security Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Program Summary

The State Homeland Security Program (SHSP) allocates \$415 million annually to implement risk-driven, capabilities-based homeland security priorities under FEMA's Homeland Security Grant Program (HSGP). This program helps states, territories, high-risk urban areas, and tribes create, maintain, and deliver the tools needed to prevent, plan for, protect against, and fight terrorism. It can be used to fund generators, batteries, and power cells, among other projects.

County and state agencies, nonprofits, associations, and more can apply directly to their state or territory. Utility regulators and stakeholders should consult with their [state's Homeland Security Advisor \(HSA\)](#) to learn more about their state's process for accepting projects.

Once an organization collects 5 to 10 potential project ideas from their area, they apply to SHSP. At least 1 project in the application must be based on *each* of the national priorities identified in the Notice of Funding Opportunity. Applications must ensure a minimum percentage of funding is focused on each type of priority, usually between 5% to 7.5%, totalling about 30%.

The five priority areas in the FY2021 Notice of Funding Opportunity (NOFO) were:

1. Enhancing cybersecurity.
2. Enhancing the protection of soft targets / crowded places.
3. Enhancing information and intelligence sharing and analysis, and cooperation with federal agencies, including DHS.
4. Combating domestic violent extremism.
5. Addressing emergent threats (e.g., transnational criminal organizations, unmanned aircraft systems [UASs], weapons of mass destruction [WMD]).



State Homeland Security Program



Department of Homeland Security (DHS)

Program Overview

DHS awards funds based on DHS's relative risk methodology and statutory minimums based on the amended Homeland Security Act of 2002. States must receive at least .35% of total funding, while territories must receive at least .08%. Each grant recipient must submit an Investment Justification (IJ) that addresses how they will spend the money in relation to each of the priority areas. Recipients must also complete a Threat and Hazard Identification and Risk Assessment (THIRA) / Stakeholder Preparedness Review (SPR). Visit the [National Risk and Capability Assessment website](#) for more information about the THIRA and SPR processes.



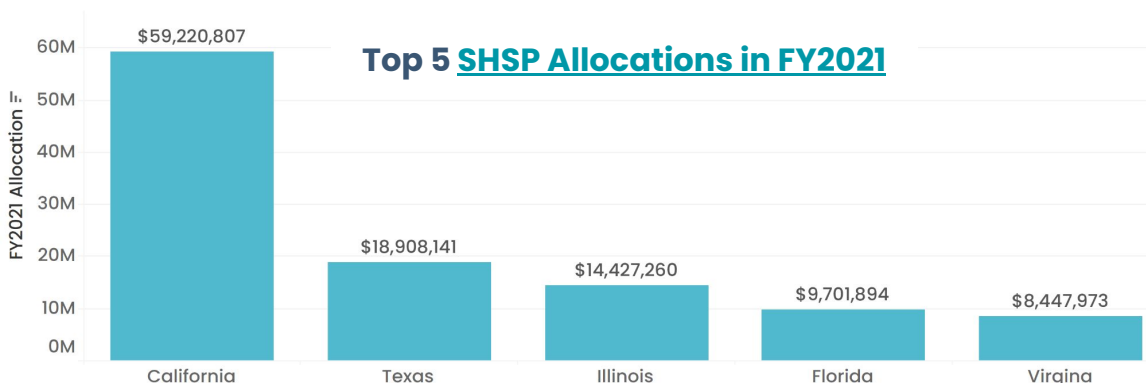
Key Regulatory Takeaway: There are a few federal implementation policies for this program, such as the requirement to allocate around 30% of funding to the national priority areas. After that, applicants are able to structure their programs to administer the funding in a way that works for them. Utility regulators can work with their HSA to pursue projects that fall within the program's flexible scope.

Program Eligibility

Eligible entities include all 56 states and territories, including the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. SHSP recipients, excluding American Samoa and the Commonwealth of the Northern Mariana Islands, must join the Emergency Management Assistance Compact (EMAC). Grant applications must take national priorities into account and / or address long-lasting needs.



Key Regulatory Takeaway: Most states and territories receive about \$4.5 million so smaller projects (e.g., generators) suit this program. The chart below outlines the top five allocations for FY2021.



State Homeland Security Program



Department of Homeland Security (DHS)

Project Execution Timeline



Program Funding & Reporting



Key Regulatory Takeaway: A project with a utility partner would be well-received. Success for this program is dependent on relationships within the state. Subapplicants will need a champion, like a Homeland Security Advisor, to help push their project through.



Cost Share Requirement: There was no cost share requirement in FY2021.

Case Studies

The State Homeland Security Program has not been used for energy infrastructure investments as of Sept. 2021. Currently, the only energy-related projects funded through the program are emergency backup generators designed for use at a single facility. Despite the lack of demonstrated projects, an energy infrastructure investment is eligible for this funding source if it addresses one of the priority areas of funding identified by DHS.

State Homeland Security Program



Department of Homeland Security; Federal Emergency Management Agency (FEMA)

Program Challenges

Program challenges include:

- **Limiting factors.** Most of the funding in each state's allocation is already budgeted to programs within the state's homeland security office, as noted in each state's THIRA. Due to that limitation, this program might be challenging to use for larger infrastructure projects.
- **State application process.** Each state manages their own SHSP differently, which can make navigating the program difficult.

Additional Resources

- [Homeland Security Grant Program](#): FEMA website that includes information about SHSP.
- [FY2021 Notice of Funding Opportunity \(NOFO\)](#): NOFO that describes eligibility criteria, deadlines, state allocations, and other key logistics.
- [National Risk and Capability Assessment](#): Information about the THIRA and SPR processes.

Community Development Block Grant Mitigation Program



Department of Housing and Urban Development (HUD)

Program Summary

The Community Development Block Grant Mitigation (CDBG-MIT) Program is the first primarily mitigation-focused CDBG program. It operates differently than recovery streams that are authorized on an annual basis because CDBG-MIT is only authorized by Congress in response to particular disasters. Additionally, unlike other federal mitigation programs, no cost share is required for a CDBG-MIT application.

Since 2018, Congress has designated almost \$16 billion dollars for mitigation activities in areas impacted by federally declared disasters between 2015 and 2017. Three Federal Register Notices ([84 FR 45838](#), [84 FR 47528](#), [85 FR 4676](#)) identified states, cities, counties, and U.S. Territories that are eligible to apply for funding. This specific funding block was created for these jurisdictions to carry out high-impact mitigation activities related to repetitive loss of property and critical infrastructure that serve mostly low-to-moderate income people in “most impacted and distressed” (MID) areas over the course of twelve years. No non-federal match is required. *For a deeper dive, see [CDBG-MIT: Community Development Block Grant Mitigation Program](#).*

To apply, eligible grantees (identified jurisdictions, usually at the state level) prepare a CDBG-MIT Action Plan, which includes a Mitigation Needs Assessment outlining how the applicant intends to spend the CDBG-MIT funds and submits it to HUD for approval. After accepting the Action Plan, HUD provides the funds to state or local development offices, which then administer the grant to subrecipients. As of July 2021, the majority of jurisdictions have completed the action plan phase and are conducting their own internal processes to award funding to eligible projects. *Learn about action plan requirements at [CDBG-MIT Action Plan Requirements](#).*

Regulators will first need to read the Federal Notices to determine if their jurisdictions are eligible for this funding stream. If so, regulators and stakeholders should review action plans to strategize where energy resilient projects can fit into existing and coordinated priorities. Many action plans include energy efficiency and renewable energy as a method for supporting data-informed investments that focus on critical infrastructure. Some examples of eligible energy projects are: green building standards, microgrids, solar and storage projects that benefit designated disaster shelters, schools, community centers, hospitals, police / fire stations, and critical infrastructure. A June 2020 webinar included more [ideas for eligible energy projects](#).

Community Development Block Grant Mitigation Program



Department of Housing and Urban Development (HUD)

Program Overview

HUD's CDBG-MIT program sets aside \$18 billion for activities that increase future community resilience, decrease loss of life, and reduce the impact of future natural disasters. Some examples of these activities include: supporting infrastructure projects, disaster preparedness, planning efforts, and others. Award recipients must spend at least 50% of funding in MID counties and at least 50% of funding on activities that benefit low-to-moderate income populations. HUD defined the term mitigation activities in FR-6239-N-01, as those that "reduce the risk to community services that benefit human health and safety or economic security, from being severely affected by natural disasters." *Reference FR-6239-N-01 at [Federal Register/Vol. 86, No. 3/Wednesday, January 6, 2021/Notices](#) for more information.*



Key Regulatory Takeaway: State and local governments should coordinate with HUD ahead of time to align CDBG-MIT funding with mitigation projects funded by FEMA, U.S. Army Corps of Engineers, and others. Although the CDBG-MIT program falls under the purview of HUD, its language (e.g., "mitigation activities") and requirements are harmonized with those of other hazard mitigation federal programs and regulations across layers of government.

Program Eligibility

The Federal Register includes a [list of eligible applicants](#). Applicants must complete an action plan prior to receiving funding. An action plan includes a mitigation needs assessment that quantifiably assesses the potential impacts and risks of hazards affecting critical service areas. Once HUD approves the plan, subapplicants can apply for funding directly from the applicant.



Key Regulatory Takeaway: Because of the uniqueness of this program, utility regulators should coordinate within their states (see next page) to determine if anyone is actively planning or pursuing energy-based projects. Please note: IOUs are only eligible for this program if they are granted a [HUD waiver](#).

CDBG-MIT Program Eligibility Criteria | Eligible projects must meet the criteria listed below:

Be a CDBG eligible activity and meet relevant action plan criteria.

Fit into HUD's Mitigation definition and address needs identified in the Mitigation Needs Assessment.

Make an impact in or be located in a MID.

Lower risk for low-to-moderate income people (80% Area Median Income and below).

Community Development Block Grant Mitigation Program



Department of Housing and Urban Development (HUD)

Program Eligibility (Cont.)

- 1 **Applicants:** States, territories, counties, and cities impacted by 2015, 2016, or 2017 disasters identified in FR-6109-N-02, FR-6109-N-03, and FR-6109-NO4.
- 2 **Subapplicants:** Connect with the state administering the funds for more granular details regarding eligibility criteria.

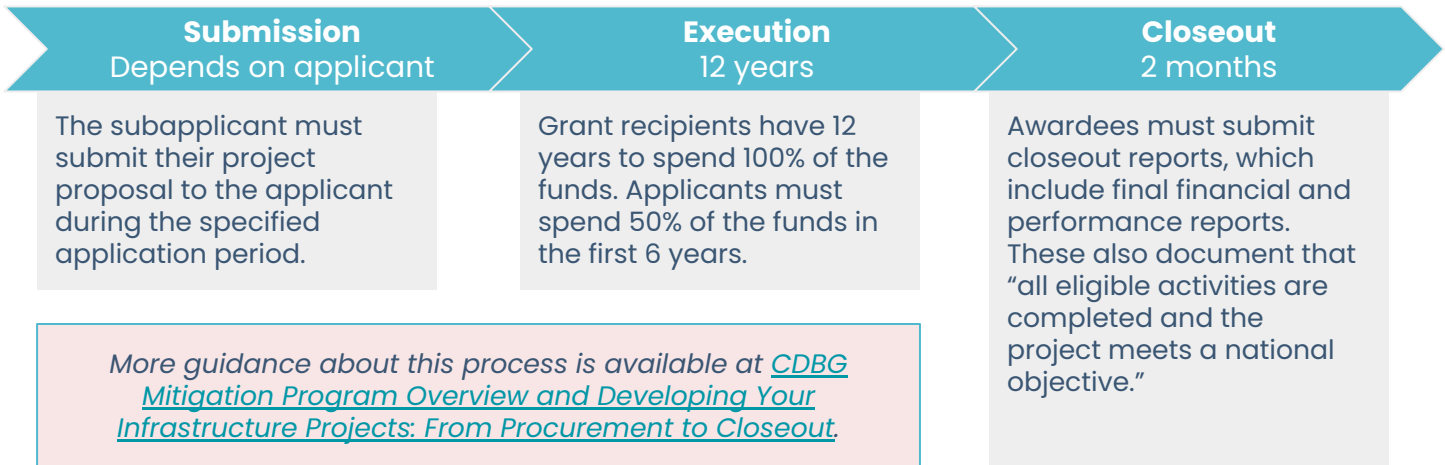
Applicants	Funding Amt.	Point of Contact
California	\$88,219,000	CA Department of Housing and Development
Columbia, SC	\$18,585,000	City of Columbia Community Development
Puerto Rico	\$8,285,284,000	Puerto Rico Department of Housing
Florida	\$633,485,000	Florida Department of Economic Opportunity
Georgia	\$26,961,000	Georgia Department of Community Affairs
Houston, TX	\$61,884,000	Houston Housing and Community Development Dept.
Lexington County, SC	\$15,185,000	County of Lexington Community Development Dept.
Louisiana	\$1,213,917,000	Louisiana Watershed Initiative
Missouri	\$41,592,000	Missouri Department of Economic Development
North Carolina	\$168,067,000	Rebuild NC
Richland County, SC	\$21,864,000	Richland County Comm. Planning & Development Div.
San Marcos, TX	\$24,012,000	City of San Marcos Community Development Dept.
South Carolina	\$157,590,000	South Carolina Disaster Recovery Office
Texas	\$4,297,189,000	Texas General Land Office
U.S. Virgin Islands	\$774,188,000	Virgin Islands Housing Finance Authority

Community Development Block Grant Mitigation Program



Department of Housing and Urban Development (HUD)

Project Execution Timeline



Program Funding & Reporting



Key Regulatory Takeaway: This is a great opportunity for utility regulators to coordinate with consumer advocacy groups because the majority of the CDBG-MIT funding must serve low-to-moderate income people. Consumer advocacy groups often have useful information that can help utilities, regulators, and other stakeholders identify disadvantaged priority areas.



Cost Share Requirement: The CDBG-MIT program does *not* require any cost share. These funds can even serve as the non-federal cost share for other types of funding like FEMA's BRIC Program if there is no "duplication of benefit across all funding sources and the BRIC-approved project also meets all CDBG-MIT eligibility and national objective requirements." Review the [Hazard Mitigation Assistance \(HMA\) Cost Share Webinar](#) for more details.



Reporting Requirement: Subapplicants must submit reports indicated in the agreement in accordance with HUD and state / county reporting requirements via Grants Network. Depending on the jurisdiction, states may have additional reporting requirements.

Community Development Block Grant Mitigation Program



Department of Housing and Urban Development (HUD)

Case Studies



Key Regulatory Takeaway: As of July 2021, most action plans have been accepted by HUD. Subapplicants are in the process of submitting applications for potential mitigation projects. Below are summaries of how this program is playing out in several areas.



CALIFORNIA

Funds

\$88.2 million

California's action plan was approved by HUD June 4, 2020. It established two programs at the state level to prioritize and award funding: Mitigation Resilient Infrastructure Program (MIT-RIP) with an allocation of ~\$61,379,000 and the Mitigation Resilience Planning and Public Services (MIT-PPS) program that has an allocation of ~\$22,440,000. Eligible Applicants are those cities and counties impacted by DR-4344 and DR-4353. Review the [State of California Department of Housing and Community Development Community Development Block Grant - Mitigation Resilience Planning and Public Services Program Policies and Procedures Manual](#) for more details.



NORTH CAROLINA

Funds

\$34.6 million

HUD announced that North Carolina will receive \$34.6 million in CDBG-MIT funds in January 2021. The state submitted their action plan twice, once in January 2021 and another time in May 2021 with propositions on how to use the \$34.6 million. The action plan clearly outlines improving lifelines as one of its goals, proposing ideas for counties to submit power delivery projects, such as smart grids and emergency backup power. The [RebuildNC CDBG-MIT Action plan](#) is publicly available.



PUERTO RICO

Funds

\$8.285 billion

HUD released \$8.285 billion of Community Development Block Grant mitigation (CDBG-MIT) funds to the Commonwealth of Puerto Rico in April 2021. Since then, Puerto Rico has collected a list of projects in a log to help determine how to award the funding. One proposed project is a \$22 million natural gas power grid construction project near Ramey Base to prevent power loss. Another is a five emergency generator project attached to the Enrique Ortega Water Treatment Plant to support raw water intake at the La Plata Dam, helping ensure reliable service and supply of potable water during emergency events. A [list of proposed projects](#) is located on the [Proposed Mitigation Project Log](#).

Community Development Block Grant Mitigation Program



Department of Housing and Urban Development (HUD)

Program Challenges

Given that the program touches multiple layers of government, understanding who to consult on a project's eligibility can be challenging.

- **Eligibility and compliance with the federal government.** The proposed project must comply with several programmatic standards. Although state officials who implement the program may be familiar with these eligibility requirements, sometimes these questions may be better answered by HUD staff.
- **Adhering to state / local action plans.** This program is designed by HUD but administered at the state or local level. It is imperative that projects fall in line with action plans. Coordinating with the right person from the state / local level to ensure compliance is an important part of receiving funding.

Additional Resources

- [CDBG-MIT: Community Development Block Grant Mitigation Program](#): Valuable information, updates, and webinars related to the CDBG-MIT program.
- [Home Trainings CDBG-MIT Webinar Series](#) and [CDBG-DR and CDBG-MIT Grantee-Led Sessions](#): A variety of webinars that are consistently updated.
- Helpful presentations about understanding program eligibility and implementation:
 - [Resilience Mitigation Planning and Public Services 101](#)
 - [CDBG Mitigation Program Overview](#)
 - [Mitigating Natural Hazard Risks in the Energy Sector: Opportunities for HUD CDBG-Mitigation Grantees to Learn Resiliency Best Practices for Energy Efficiency, Energy Storage, and Renewables](#)
 - [Developing Your Infrastructure Projects: From Procurement to Closeout](#)
 - [Hazard Mitigation Assistance \(HMA\) Cost Share Webinar](#)
 - [Links to Current Allocations and Grantee Websites](#)

Community Development Block Grant–Disaster Recovery



Department of Housing and Urban Development (HUD)

Program Summary

HUD has managed Community Development Block Grant Disaster Recovery (CDBG-DR) grants since 1992. Unlike other programs, this supplemental block of funding is not an annual program nor permanently authorized. Rather, after Presidentially declared disasters, Congress may appropriate a specific amount of CDBG-DR funds for disaster relief, long-term recovery, restoration of infrastructure, or economic revitalization. As noted in 83 FR 5844, the goal of these funds is to help jurisdictions address “necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization” in “most impacted and distressed” (MID) areas affected by major disaster. A list of eligible jurisdictions can be found [here](#).

When funding is available, HUD informs eligible states, cities, and counties of their eligibility, announces their allocations, and invites them to apply. Applicants then complete an assessment of disaster impacts and unmet needs and submit an action plan that communicates on which programs and activities the applicant will spend the funding. After HUD awards the funds, states and local governments administer the program and distribute the funds to the subrecipients. Eligible activities must have a direct tie to the disaster, serve low-to-middle income populations, and not duplicate benefits. For instance, a public facility improvement must benefit residents in areas where 51% or more fall into the low-to-middle income category. *More information about CDBG-DR’s history and processes can be found at [CDBG-DR Overview](#).*

HUD has approved several states’ action plans related to 2018 and 2019 disasters (e.g., Florida) and states are in the process of collecting potential projects that support their goals. Utility regulators can read their state’s latest Action Plan and connect with the state office that manages the CDBG-DR program (e.g. Rebuild Florida) to find out if they are currently collecting applications. Notably, HUD published a \$2 billion [notice for electrical power systems in Puerto Rico and the U.S. Virgin Islands](#) in 2021.

Some ideas for eligible projects relevant to utility regulators are:

- Restoring infrastructure that was damaged by a presidentially declared event.
- Water and sewer facilities.
- Construction, rehabilitation, reconstruction, or installation of public facilities.
- Energy efficiency improvements.

Community Development Block Grant–Disaster Recovery



Department of Housing and Urban Development (HUD)

Program Overview

CDBG–DR funds can help jumpstart recovery efforts in low and moderate income neighborhoods that might otherwise not be completed due to limited resources. Most importantly, this grant is explicitly tied to rebuilding and recovery. Mitigation and preparedness efforts are usually ineligible projects.

The CDBG–DR program has allocated \$89.8 billion in over 137 grants to state and local jurisdictions. Currently, there are 62 active grant recipients with 130 active grants, totaling \$67 billion. HUD Headquarters (HQ) manages large grants over \$500 million, while the HUD Community Planning and Development (CPD) Field offices manage all other grants. *For a breakdown of how Congress has appropriated CDBG–DR funding, visit [CDBG–DR Overview](#).*



Key Regulatory Takeaway: This program requires that a majority of the funds be spent to benefit low-to-moderate income people, highlighting a large policy overlap between the impacts of climate change and income inequality.

Program Eligibility

A full list of CDBG–DR Laws, Regulations, and Federal Register Notices, which includes a list of eligible jurisdictions, are consistently updated on the [HUD exchange website](#). Potential projects must meet at least one of the following national objectives proposed in section 104(b)(3) of the HCD Act:

- 1) Benefit low- and moderate-income persons, or
- 2) Aid in the prevention or elimination of slums or blight, or
- 3) Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs (Urgent Need).



Key Regulatory Takeaway: Disasters drive the dollars for this program. If a state has been frequently impacted by disasters, this funding stream may be relevant.

Applicants

State or local governments designated through Federal Register Notices.

Subapplicants

Local governments, tribal governments, state agencies, and tribal agencies.

Subapplicant partners

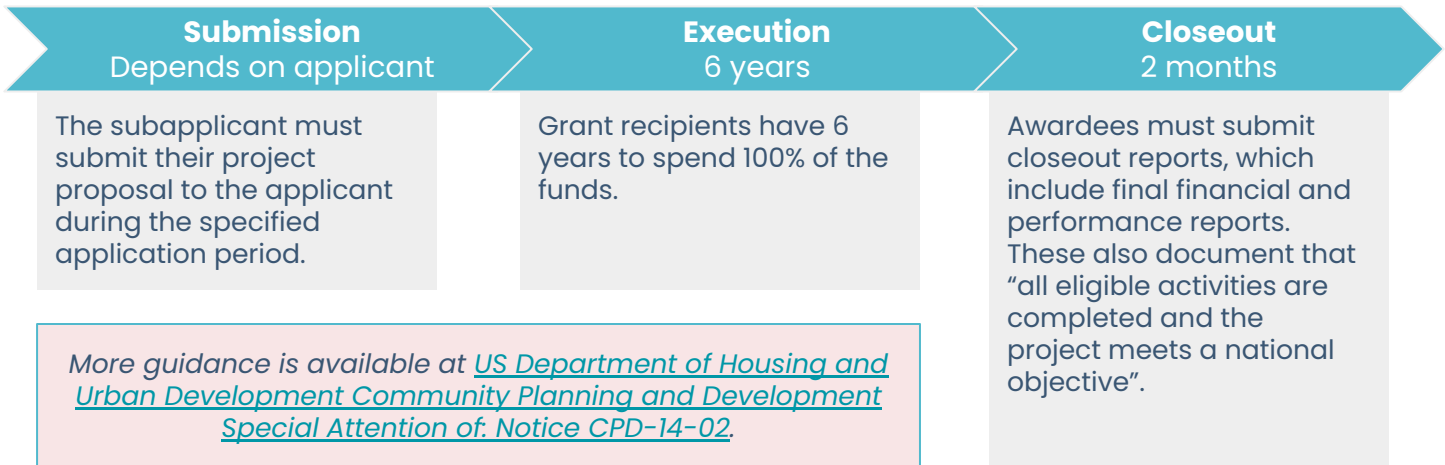
Households with housing needs, business operators with economic development or recovery needs, and non-profit organizations providing public services.

Community Development Block Grant–Disaster Recovery



Department of Housing and Urban Development (HUD)

Project Execution Timeline



Program Funding & Reporting



Key Regulatory Takeaway: The Disaster Recovery Grant Reporting System (DRGR) [website](#) provides a clear list of approved project ideas. Utility regulators and stakeholders can build their understanding of this program by mining that resource for relevant projects and reaching out to the organizations who implemented these project to learn more about successes and challenges.



Cost Share Requirement: No local match is required. In fact, these funds can be used as the match for other federal funding sources, if there is no duplication in benefits. Read [fact sheet about duplication in benefits](#).



Reporting Requirement: The applicant develops two Action Plans: a hard copy outlining the program and activities that the applicant intends to pursue, and an electronic plan submitted via the Disaster Recovery Grant Reporting System (DRGR). The grantee is required to enter parts of its hard copy action plan into the DRGR to explain each activity or project executed under each program. DRGR data is available to the public on the [DRGR Public Data Portal](#). Grantees also produce and submit Quarterly Performance Reports (QPRs) for HUD each quarter.

Community Development Block Grant–Disaster Recovery



Department of Housing and Urban Development (HUD)

Case Studies



Key Regulatory Takeaway: This funding mechanism is among the most flexible of all Federal programs and is especially valuable in jurisdictions impacted by major disasters. The slow phase of execution is not conducive to immediate restoration but is useful in long-lead infrastructure projects.



PUERTO RICO & U.S. VIRGIN ISLANDS

Total Funds

\$2 billion

In June 2021, HUD authorized the use of \$2 billion in CDBG-DR funds for electric power system enhancements and improvements in Puerto Rico and the U.S. Virgin Islands after the destructive 2017 hurricanes. Prior to the authorization, Puerto Rico was not able to access these funds so they were unavailable immediately following the events. While CDBG-DR proved to be a significant funding source for the islands, utility regulators should be aware of the extended timeframe of this program, compared to other federal funding programs. *A copy of the notice can be found on the [HUD Exchange website](#).*



CALIFORNIA

Total Funds

\$3.5 million

California created a program to use their CDBG-DR funds as the non-federal cost share for FEMA Public Assistance projects. The funds go towards making sure that critical infrastructure recovery needs related to utility and water infrastructure are met. Visit [Implementation Guidance for Use of Community Development Block Grant Disaster Recovery Funds as Non-Federal Cost Share for the Public Assistance Program](#) to learn more about this program.



FAIRFIELD, CT

Total Funds

\$2.316 million

After Superstorm Sandy, Fairfield's Wastewater Treatment Plant was flooded with almost 2 feet of water due to a storm surge. The town used a CDBG-DR grant for a Wastewater Treatment plant Hardening Project to build an earthen berm and stormwater pump station, which act to reduce flood risk. The town's [press release](#) shares [more details](#) about combining funding streams to complete the project.

Community Development Block Grant–Disaster Recovery



Department of Housing and Urban Development (HUD)

Program Challenges

Program challenges include:

- **Non-permanent program.** This program's grant requirements change from year to year.
- **Lengthy gap between disaster and project execution.** Because this program is triggered by a disaster and does not have preset requirements, it takes time to develop a Federal Register Notice to establish requirements and subsequently award the funds.

Additional Resources

- Information about CDBG–DR's history, processes, and funding breakdown:
 - [CDBG–DR Overview](#)
- Eligibility information: A full list of eligible jurisdictions is consistently updated on the HUD exchange website:
 - [CDBG–DR Laws, Regulations, and Federal Register Notices](#)
 - [CDBG–DR Policy Guide for Grantees](#)
 - [CDBG–DR Allocations and Links to Grantee Websites](#)
- Regulations related to the CDBG–DR:
 - [Section 104\(b\)\(3\) of the HCD Act](#)
 - [US Department of Housing and Urban Development Community Planning and Development Special Attention of: Notice CPD-14-02.](#)
 - [DRGR Public Data Portal](#)

Defense Critical Infrastructure Program

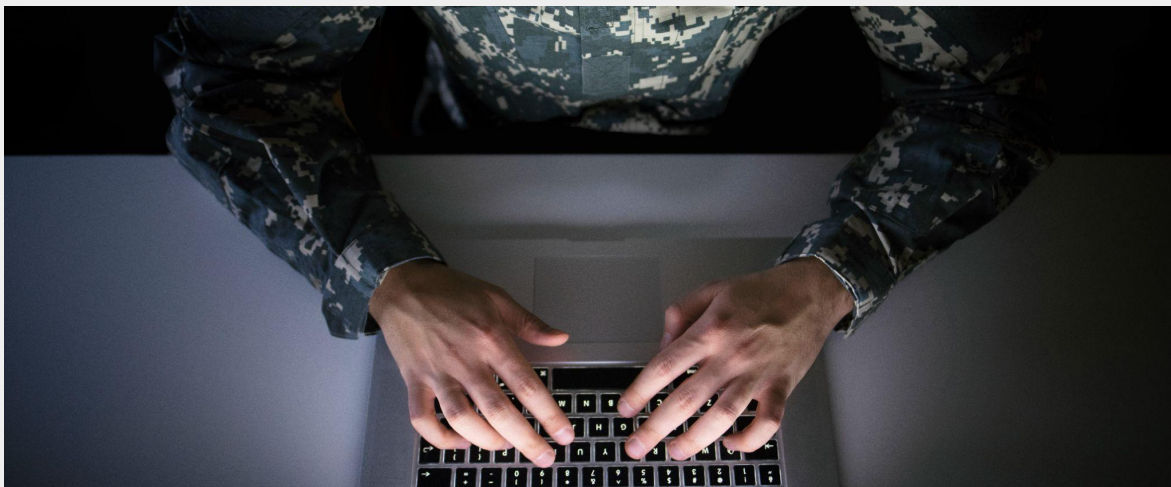


Department of Defense; Office of Local Defense Community Cooperation (OLDCC)

Program Summary

Congress funded the Defense Critical Infrastructure Program (DCIP) as a ten-year pilot program in FY2020. This competitive grant program funds projects to enhance military family quality of life, resilience, or military value at installations by addressing infrastructure deficiencies. Examples of eligible projects include roads, bridges, water, emergency centers, electrical facilities, wastewater, electric, gas, and other utility infrastructure projects and medical facilities.

During the program's first year (FY2020), the Office of Economic Adjustment (OEA) approved 16 projects, totaling \$50 million in funding. In 2021, the DCIP budget increased to \$60 million, administered by the Office of Local Defense Community Cooperation (formerly the Office of Economic Adjustment); individual award amounts have a ceiling of \$20 million and a floor of \$250,000.



States, counties, cities, and rural electric cooperatives are eligible to apply for these grants with construction-ready projects, meaning that they are able to “turn dirt,” or begin physical construction of the project, within 12 months of receiving the grant. Additionally, to certify eligibility, the community must share a letter of support from the installation's commander that includes how a potential project will increase the installation's resilience or its military value.

Learn more about the FY2021 program on the [Grants.gov website](#).

Defense Critical Infrastructure Program



Department of Defense; Office of Local Defense Community Cooperation (OLDCC)

Program Overview

DoD published the 2021 Federal Funding Opportunity in May. Applications for shovel-ready projects were due in July. Grants are expected to be awarded in September 2021.

A review committee will prioritize projects in the following order: 1) Tier I: Proposed project enhances military family quality of life, 2) Tier II: Resiliency, 3) Tier III: Military value at a local installation.

DoD will also evaluate projects based on considerations from [Section E., paragraph 1 of the Federal Funding Notice](#): (i) Service members / families are at least 50% of the patrons / recipients / beneficiaries of the proposed infrastructure project; (ii) State / local government provides DoD spousal licensure reciprocity; (iii) Tier I military family quality of life projects come from installations in locations with the most significant quality of life challenges; and, (iv) Tier I projects focus on schools, hospitals, day cares, recreation centers, etc.



Key Regulatory Takeaway: This is a rare DoD program that extends beyond the installation itself into the community. It is also uniquely compatible with infrastructure projects, such as energy resilience projects. Utility regulators can look to this program for case studies of what it means to be energy resilient.

Program Eligibility

States, cities, counties, non-profit organizations, and member-owned utility services (i.e., cooperatives not investor-owned utilities) are eligible for this program if they own infrastructure that is either inside of a military installation* or that is outside of but supporting an installation. A commander must endorse the DCIP program proposal. Utility regulators should be aware that these projects tend not to be subject to state regulation. *For additional information, please refer to [Guidance on Installation Commander Endorsement Letters](#).*



Key Regulatory Takeaway: This program takes into consideration the value of each military installation. Regulatory stakeholders should consult the [military installation priority list](#) as a stepping stone for initiating projects.

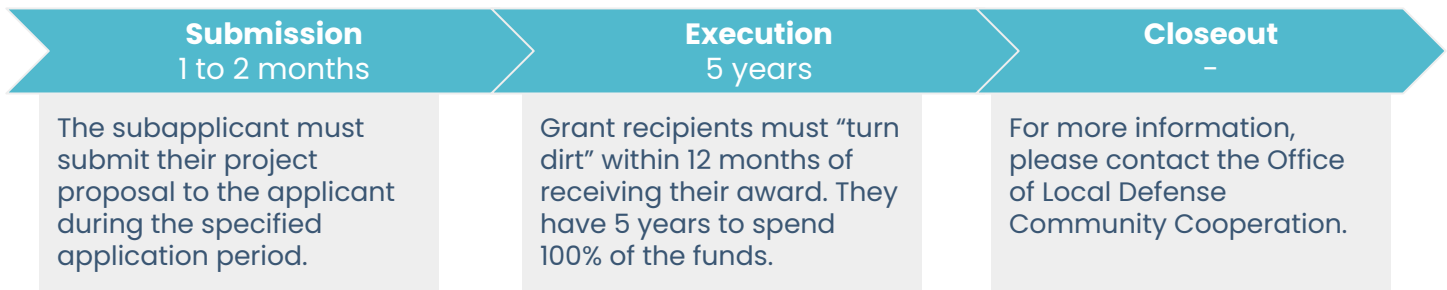
***Military installations** are defined in [10 USC § 993\(d\)\(2\)](#) as a "base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility, which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, or Guam. Such a term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects."

Defense Critical Infrastructure Program



Department of Defense; Office of Local Defense Community Cooperation (OLDCC)

Project Execution Timeline



Program Funding & Reporting



Key Regulatory Takeaway: The budget of this program will likely grow, while the program will focus increasingly on energy resilience projects going forward. Utility regulators and stakeholders should take advantage of this unique program for a quick-turn project as this is one of the fastest programs to move projects from proposal to execution.



Cost Share Requirement: For projects in non-rural areas (>100,000 residents), the subapplicant must contribute 50% or more of the project’s funding, unless the Secretary of Defense approves a national security waiver. These funds may not serve as a non-federal match for other programs. The ability to use other federal funds as a non-federal match is up to the Grantor discretion. More details can be found [in this notice](#).

Case Studies

Projects related to electric infrastructure upgrades were identified by communities and proposed as part of the FY2020 grant round (ADC, 2019). In FY2020, however, only projects relating to military family quality of life were selected for funding by DoD. For example, the Commonwealth Bureau of Military Affairs in the Commonwealth of Mariana Islands received \$335,000 to enhance utility infrastructure for service members. The City of Sierra Vista, AZ received \$1,438,000 to build an Emergency Medical Services substation to support the military families at Fort Huachuca. Although future rounds may award funding to energy-related projects, these will be most relevant to Commissions that regulate cooperative utilities because IOUs are not directly eligible for project awards. A *full list of funded projects can be found on the [Department of Defense’s Office of Local Defense Community Cooperation \(OLDCC\)’s website](#)*.

Defense Critical Infrastructure Program



Department of Defense; Office of Local Defense Community Cooperation (OLDCC)

Program Challenges

At this time, only one cycle of funding has been officially awarded. Challenges from this first cycle included:

- **Tight timelines.** There was only a 1 to 2 month application window after the funding opportunity was announced.
- **High non-federal match.** Local match for the DCIP program is at least 50%, meaning that project applicants will need to make plans to gather significant capital during the application process.

For details about additional challenges visit [Survey of Defense Communities and States Reveal Concerns about DCIP Implementation – Association of Defense Communities](#).

Additional Resources

- Federal Funding Opportunity Notices: [FY2020](#) and [FY2021](#)
- [Defense Community Infrastructure Pilot Program \(DCIP\) Federal Funding Opportunity \(FFO\) Notice FY2021 Questions and Answers](#): Responses to frequently asked questions from FY2021.
- [Defense Community Infrastructure Program \(DCIP\) web page](#): A list of key eligibility requirements and a summary of FY2020 grant awardees.
- [BRAC 2005- Military Value Assessment](#): The values on this list are taken into account during the grant application process.

Military Installation Resilience Review



Department of Defense; Office of Local Defense Community Cooperation (OLDCC)

Program Summary

The Military Installation Resilience Review (MIR) is a component of the Military Installation Sustainability program. This program, run by the Office of Local Defense Community Cooperation (OLDCC), provides technical and financial assistance to states and local governments to help them identify, understand, and implement actions that protect and support military installation sustainability.

Understanding the vulnerability of military installations helps organizations prepare for both current and future risks and hazards. An MIR is an avenue to organize, plan, and implement energy resilience solutions. It is a strategic plan with implementation guidelines to ensure the compatibility of military installation resilience with other military missions, training, and testing. Organizations can use an MIR to identify an installation's risk both inside and outside the fence line and use the review's findings to develop implementation processes.

More [detailed information](#) about the MIR program is available, including objectives, project examples, past funding amounts, and applicant eligibility.



Military Installation Resilience Review



Department of Defense; Office of Local Defense Community Cooperation (OLDCC)

Program Overview

During FY2020, OLDCC, formerly called the Office of Economic Adjustment, awarded \$5.74 million dollars to 11 grantees. OLDCC expects to award about \$9 million in FY2021. During the MIR process, states and communities can partner with local commands to understand the installation's vulnerabilities. Some examples of potential partners include: regional planning organizations, DoD agencies, Military Services, OLDCC, Military Aviation and Installation Assurance Siting Clearinghouse, Readiness and Environmental Protection Integration, Economic Adjustment Committee, Federal Aviation Administration, Bureau of Land Management, and United States Department of Agriculture Office of Rural Development, among others.



Key Regulatory Takeaway: Not many funding mechanisms will fund planning tasks, such as project scoping and development. Funding through the MIR program is a way to access planning dollars. The planning process is an important phase for utility regulators and stakeholders who are interested in learning about the economic viability of a project.

Program Eligibility

The MIR is available to states, counties, municipalities, tribal governments, and other political subdivisions of a state. The applying entity needs to make the case that a threat to the military installation(s) in their jurisdiction could compromise mission-essential functions of the installation and this vulnerability rests in the civilian infrastructure supporting DoD.



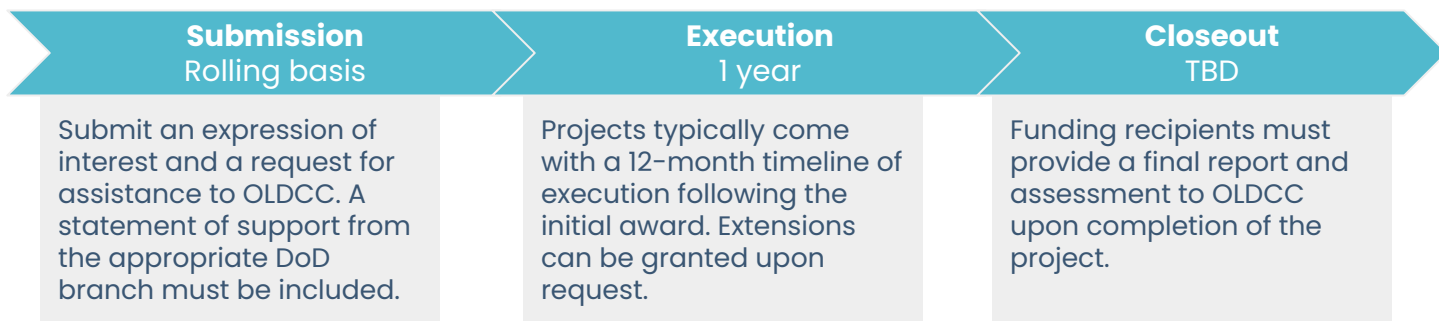
Key Regulatory Takeaway: The timeline for the program is short: proposals are selected within a few weeks of submission. As the program matures, organizations are learning from each other how to propose projects that can move from planning to action very quickly, thanks to the growing cache of successful proofs of concept and RFPs available online. Consequently, projects are becoming increasingly easier to produce based off of existing methodologies and draft materials that can also be applied to new work.

Military Installation Resilience Review



Department of Defense; Office of Local Defense Community Cooperation (OLDCC)

Project Execution Timeline



Program Funding & Reporting



Key Regulatory Takeaway: MIR grants average \$400,000 to \$500,000, which covers nearly the full cost of the installation review. While the scope of the program and associated funding is not tailored toward the scale infrastructure investment, the analysis conducted can be utilized for scoping or prioritizing future investment.



Cost Share Requirement: The cost share for this program is 10%. Most projects are executed by county or regional planning organizations with the ability to provide in-kind cost share through staffing allocation.



Reporting Requirement: Program reports, progress reports, expenditure reports, and performance reports are required and vary based on the project's scope of work. Details about the frequency of these reports are identified in the "Terms and Conditions" of each individual award, and many provide publically available versions after completion.

Military Installation Resilience Review



Department of Defense; Office of Local Defense Community Cooperation (OLDCC)

Case Studies



Key Regulatory Takeaway: The pool of eligible applicants is very broad, offering substantial latitude for a State Commission to identity partners and scope program objectives. More than two dozen projects have been completed. Public documents are available for developing RFPs and applications.

Newport Naval Station

RI

This project is meant to support a MIR for Naval Station Newport (NAVSTA). In collaboration with a team from the University of Rhode Island, faculty from the Naval War College, and other individuals from NAVSTA, the team will investigate threats to critical infrastructure. Specific threats to highlight include consequences from storm events and sea level rise. This focus will allow for facilitated stakeholder engagement that helps the community plan and respond to threats from changing environmental conditions.

Metropolitan Washington Council of Governments

DC

The Metropolitan Washington Council of Governments has called for a community stakeholder process that will assist with conducting an MIR program for four military installations. The MIR calls for a threat assessment to identify threats to critical infrastructure, mainly by tracking climate threats that impact DoD operations in Metropolitan D.C. Identifying the probability, timing, and frequency of climate level threats allows for installations to establish adaptation techniques before threats affect operational efficiency.

MCAS Beaufort / MCRD Parris Island

SC

This project is meant to support a MIR for Marine Corps Air Station Beaufort, Marine Corps Recruit Depot Parris Island, and the surrounding communities. This project will determine what changes need to be made to local infrastructure to respond to changing environmental conditions surrounding the two facilities. Many of the local utilities and community resources are provided by local and state governments; therefore, stakeholder involvement will be a critical part of conducting this resilience review.

Military Installation Resilience Review



Department of Defense; Office of Local Defense Community Cooperation (OLDCC)

Program Challenges

Program challenges include:

- **Inconsistency among analyses.** Methodologies are not always consistent across projects, as processes vary based on who executes the project. Utility regulators and stakeholders can mitigate the inconsistencies that may result by engaging individual stakeholder groups to ensure that both the methodology and the overall review are consistent with the state's or community's values and priorities.

Additional Resources

- [Assistance Listing: Military Installation Resilience](#): Additional information about MIR.
- [Military Installation Sustainability](#): Landing page with an overview of the OLDCC's Military Installation Sustainability program.



CONCLUSION

The federal funding resources highlighted in this guidebook demonstrate the breadth and complexity of grant programs with the potential to support infrastructure investment in pursuit of state energy policy goals.

Commissions have a unique organizational role at the intersection of state government agencies and infrastructure owners and operators, where they can identify areas of opportunity related to infrastructure planning, design, and investment. That position allows them to utilize federal programs as both a catalyst for larger investment and as the means to achieving improved resilience in service delivery to customers.

Ultimately, an awareness of the programs highlighted in this Guidebook, combined with the identification of candidate partner organizations and eligibility criteria, serve as a starting point to the development of lasting programs and tangible results.

Additional Resources | For a list of Federal funding programs in addition to those included in this Guidebook, please see the DOE [Mitigation and Resilience Federal Funding Sources](#) reference list.

