

[Delete instructions in *italics* when completing Program Narrative.]

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

State of Kansas

March 2023

DRAFT Program Narrative

Note for reviewers: Italicized text are instructions and suggestions from DOE as to what the applicant should address. This Program Narrative is provided as part of the application for funding under the U.S. Department of Energy’s IJJA Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grant Program.

This Program Narrative is intended to apply for each year for the five year award period (FY2022 – FY2026).

1. Objectives and Metrics:

List 3-5 objectives that the applicant intends to apply for guiding their resilience investment decisions. The intent of this section of the Program Narrative is to ultimately develop a planning framework for resilience to address all-hazards including future climate implications. The first year, DOE is seeking input on criteria for determining investment decisions. At a minimum, the objectives and metrics should address:

- a. resilience and energy justice concerns, including reducing the frequency and duration of outages in disadvantaged communities,*
- b. how the project will use strong labor standards and protections (including for direct employees, contractors, and sub-contractors), such as through the use of project labor agreements, local hire agreements, and outline of a plan to attract, train, and retain an appropriately skilled workforce (i.e., through registered apprenticeships and other joint labor-management training programs that serve all workers, particularly those underrepresented or historically excluded); plans to partner with a training provider (labor, community college, etc); and the use of an appropriately credentialed workforce (i.e., requirements for appropriate and relevant professional training, certification, and licensure).*

Provide the metrics that will accompany the objectives to measure outcomes associated with improving resilience, creating good-paying jobs with the free and fair choice to join a union, and advancing energy justice.

Indicate whether the objectives and metrics are provisional pending further discussion and consideration by the State or Indian Tribe with its stakeholders. DOE expects that recipients will establish a formal set of objectives and metrics in order to receive Year 2 formula funding. Examples of objectives and metrics, in addition to reporting on any DOE required metrics, and approaches for

establishing them are available at: [Section 40101\(d\) Formula Grants to States & Indian Tribes | netl.doe.gov](#)

The State of Kansas has listed below four objectives which will guide its resilience investment decisions for the entire term of this grant Program:

Objective 1. Improve the reliability and resilience of the electric grid to reduce the frequency and duration of power interruptions, especially in areas that experience higher than system average frequency and duration outages.

Metrics:

- Historical and post project estimated System Average Interruption Frequency Index (SAIFI) data, and/or any alternate interruption frequency metric used by the utility.
- Historical and post project estimated System Average Interruption Duration Index (SAIDI) data and/or any alternate interruption duration metric used by the utility.
- Age of system or line segments, type of equipment that failed, and number of annual outages.
- Number of customers to be impacted by project and percentage of impacted customers to total customers served in Kansas.

Objective 2. Promote grid equity by ensuring that funds are distributed equitably, particularly in rural, disadvantaged, and underserved communities (those communities whose residents would be negatively impacted by large utility project costs, or whose access to services, supplies or a work force are limited).

Metrics:

- Identification of disadvantaged communities using Climate and Economic Justice Screening Tool (CEJST) at <https://screeningtool.geoplatform.gov/> and the Energy Justice Tool at <https://energyjustice.egs.anl.gov/> to identify disadvantaged communities.
- Historical and post project estimated interruption frequency data.
- Historical and post project estimated interruption duration data.
- Pro rata customer impact of total project cost.
- Number of customers to be impacted by project and percentage of impacted customers to total customers in the disadvantaged or underserved community.

Objective 3. Advance resilience investment projects that are not currently being funded or not already under consideration for funding. Desired projects to be advanced are those that have either been deferred due to a lack of funding or projects that are in the early planning stage.

Metrics:

- Certification by the eligible entity and verification to the extent possible.

Objective 4. Advance projects that attract, train, and retain an appropriately skilled Kansas workforce.

Metrics:

- Description of efforts to be undertaken to attract, train, and retrain a skilled workforce.
- Description of how the project will use strong labor standards and protections.
- Number of jobs created post award; number and percentage of total employees added from the project community; number and percentage of employees added that have lost jobs due to the displacements of fossil energy jobs.
- Plans to partner with training providers to support workforce development.
- Description of efforts to include opportunities for underrepresented or historically excluded workers.

2. Criteria:

Describe the criteria used for selecting and determining the awards to eligible entities. At a minimum, the criteria should address specific requirements set forth in Section 40101(d), which include that:

- a. Priority should be given to projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events,*
- b. The percentage made available to eligible entities that sell not more than 4,000,000 megawatt hours of electricity per year should not be less than the percentage of all customers in the State or Indian Tribe that are served by those eligible entities, and*
- c. Awards should be provided to eligible entities for projects within the State or on the land of the Indian Tribe.*

Kansas will review all complete subgrant project applications and supporting data by eligible entities, for the entire term of grant Program, and will prioritize for award those projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events. Eligible entities will be required to provide historical measurements of resilience and reliability for the targeted areas of each proposed project and provide expected changes to the historical data as a result of each proposed project. Eligible entities must also provide historical measurements of resilience and reliability for their entire system to determine whether the project is in an area that has, on average, more frequent or longer duration outages.

Eligible entities will be required to provide all expected costs and benefits associated with the project, including any proposed excess cost match proposal by the eligible entity, in order to determine the total net benefit of each project.

Additional consideration will be given for projects located in, or which provide benefit to, disadvantaged communities or small underserved communities. And further additional consideration will be given for projects that incorporate quality jobs, community benefits, and support concepts of diversity, equity, inclusion and accessibility.

An eligible entities' proposed resilience investment project must not be one that has already been implemented or one which funds have already been budgeted for future implementation.

According to most recent EIA data, eligible entities in Kansas that sell less than 4,000,000 MWh per year represent approximately 36.3% of all of Kansas customers in 2021. This percentage was calculated using the 2021 EIA data collected from Form 861. The EIA data, showing sales by utility in Kansas, included a line item with a Utility Name "Adjustment 2021" with a total sales value of 4,080,741 MWh per year. However, sales data for 17 small cooperative customers and 112 municipal customers that collectively sold 4,122,404 MWh during 2021 was missing. None of these small cooperatives or municipalities individually sold more than 4,000,000 MWh during 2021. Therefore, it is assumed that the "Adjustment 2021" line item represents the cumulative value of all missing cooperative and municipality sales. According to the most recent 2021 EIA data, total sales in Kansas equaled 40,491,786 MWh. Based on the assumptions above, sales by the small utilities totaled 14,707,223 MWh, representing 36.3% of all sales in Kansas.

The minimum funding available to all small utilities using less than 4,000,000 MWh will be \$2,419,823 in the first year (based on the first year allocation of \$6,666,178) and \$2,412,842 for the second year (based on the second year allocation of \$6,646,948). However, Kansas will prioritize projects from the smaller set aside entities and may provide more than the overall minimum funding required to these smaller entities. In no event will the percentage of funds being set aside for these eligible entities that sell not more than 4,000,000 MWh of electricity per year be less than the percentage of all customers in Kansas that are served by those eligible entities during the entire term of this grant Program. All eligible entities claiming this small entity status shall be required to submit data with their application verifying that status.

Awards will only be provided to eligible entities for projects proposed to be implemented within the State of Kansas.

3. Methods:

Provide a description of the methods the applicant anticipates using for soliciting, awarding, and distributing funds. These might include several options, including the use of competitive solicitations, direct awards, and the use of financial instruments, such as Green Banks, to leverage the funds through 40101(d).

Provide also a description of the methods the applicant anticipates using to track and make public the metrics achieved by awardee uses of program funds to improve resilience by reducing the likelihood and consequences of disruptive events, to generate quality jobs, and to improve equity and community benefits.

Following DOE's approval of Kansas' Program Narrative, it is anticipated that Kansas will solicit applications of subgrants from eligible entities through public announcements. Priority will be given to projects that will generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events. If more than one acceptable application is submitted, Kansas will evaluate each submission based on the criteria and metrics above. It is anticipated that interviews may take place with the applicants to clarify or expound on issues

concerning projects and Kansas may, at some point, find it beneficial to meet with stakeholders to collectively leverage commonality of projects.

Kansas Electric Cooperatives Inc. (KEC) is a Kansas statewide organization of electric distribution cooperatives. Kansas Municipal Utilities (KMU) is another Kansas statewide association representing small Kansas cities and other public or not-for-profit agencies involved in the ownership and operation of municipal utilities. These are two examples of Kansas organizations that have banded members together into separate statewide associations to provide greater efficiencies and economies of operations for their members, regardless of size. Twenty-eight members of these two associations serve less than 500 customers, twelve members serve less than 200 customers, and 6 serve less than 100 customers. None of the members of either KEC or KMU use more than the small utility threshold of 4,000,000 MWh per year. It is possible that members of these or other associations, or the associations themselves as agent for the small eligible entity utilities, may collectively and collaboratively present Kansas with projects for review and for funding to provide the greatest community benefit in reducing the likelihood and consequences of disruptive events and which is align with the objectives of the Grid Resilience Formula Grant Program.

Kansas will require that subgrant recipients provide quarterly performance and financial reporting describing activities completed and progress made toward completion of the Objectives in Section 2 above. Kansas will plan to make public on its website any updates on progress to awarded projects. Kansas will provide DOE all data as required.

4. Funding Distribution:

Provide a description of the proposed funding distributions and categories of recipients of the subgrants to be provided to eligible entities. Also, indicate preferences for eligible entities if they do not explicitly appear on the list of eligible entities provided in Section 40101.

Eligible entities for funding under this Program include electric grid operators, electricity storage operators, electricity generators, transmission owners or operators, distribution provider and fuel suppliers or other entities determined by the DOE. However, Kansas shall give preference to only entities that deliver electricity to the public.

At this time Kansas does not foresee the need to impose a cap on subgrant project funding, but reserves the right to do so in the future. Kansas would propose to fund approved projects to the set-aside class of small eligible entities until the federal grant dollars are fully allocated under the set-aside minimum amount. If Kansas does not receive qualified projects from the small set aside entities that fully utilize the minimum set aside amount, Kansas will allocate the remaining funds to other larger eligible entities' qualified projects. The remaining funds would be allocated first to the small set-aside entities that were not fully funded from the set-aside minimum dollar amount, if any, then to the remaining eligible entities until the federal grant dollars available, less the allowable 5% of the award for administration expenses and technical assistance, have been fully allocated.

Kansas will require that subgrant recipients provide excess cost match funds to cover the state's requirement to match 15% of the total Federal grant allocation provided.

5. Equity Approach:

To achieve the greatest impact for all Americans with this once-in-a-generation investment in infrastructure, it is critical that the BIL-funded projects not only contribute to the country's energy technology and climate goals, but also (1) support the BIL objectives to invest in America's workforce by including specific elements to accelerate job growth and job quality, including approaches to give workers a free and fair choice to join or form a union; and (2) advance DOE's equity, environmental and energy justice priorities, including DOE's commitment to the Justice40 Initiative. Accordingly, the Program Narrative must describe how the State or Indian Tribe will ensure their proposed project will incorporate:

- a. Quality Jobs: Strengthening prosperity by expanding good-paying, safe jobs accessible to all workers and supporting job growth through investments in domestic supply chains is a key goal set by President Biden, discussed in depth in his Executive Orders on Ensuring the Future Is Made in All of America by All of America's Workers (EO 14005), Tackling the Climate Crisis at Home and Abroad (EO 14008), Worker Organizing and Empowerment (EO 14025), Boosting Quality of Federal Construction Contracts (EO 14063), Promoting Competition in the American Economy (EO 14036), and Implementing the Infrastructure Investment and Jobs Act (EO 14052). Accordingly, this section of the Program Narrative should address efforts to achieve these goals, including
 - i. efforts to attract, train, and retain a skilled workforce and*
 - ii. workforce opportunities in communities that have lost jobs due to the displacements of fossil energy jobs; and**
- b. Community Benefits: Section 40101(d)(5) requires a State or Indian Tribe to give priority to projects that would generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events. The Program Narrative should include an explanation of how the State or Indian Tribe will make such a determination for the projects that will be receiving funding and should include information on how the projects go beyond measures that are already being undertaken through current resilience planning by the State or Indian Tribe.*
- c. Diversity, Equity, Inclusion and Accessibility: DOE strongly encourages efforts to reach historically underserved populations, racial minorities, and women. These strategies should create the connectivity and conditions for growth where they may not exist, such as in rural and underserved communities. The Program Narrative should articulate the strategy the State or Indian Tribe will use for sharing and maximizing the project's benefits across disadvantaged communities and include a discussion of how resident, worker, and community leadership will be engaged throughout the project's duration.*

Provide an explanation of how the State or Indian Tribe will make such a determination for the projects that will be receiving funding and should include information on how the projects go beyond measures that are already being undertaken through current resilience planning by the State or Indian Tribe.

Consistent with state and federal law, Kansas will make every reasonable effort to ensure funds awarded are utilized to generate the greatest community benefit (whether rural or urban) in reducing the likelihood and consequences of disruptive events. In addition to improving the resilience and

reliability of the grid, Kansas has made grid equity and employment opportunity two of the four guiding objectives for this Program. Further, Kansas has made grid security and quality job opportunities a guiding criteria for awards. Kansas will ensure the approved projects will incorporate quality jobs, community benefits, diversity, equity, inclusion and accessibility.

Kansas will adhere to all the terms and conditions of the grant agreement, including those that pertain to wages, American-made products and a free and fair choice to join or form a union. Kansas will incorporate into the projects, where applicable, training opportunities needed to operate and maintain the investments, thereby supporting the State's economy through promoting a well-trained workforce.

6. Technical Assistance and Administration:

Provide a description of how the State or Indian Tribe intends to utilize up to 5 percent of Federal grant funds for project administration and technical assistance.

Kansas will set aside up to 5% of the federal allocation and use by its employees and contractors to provide project management, accounting, grant reporting and grant administration and other project administration and technical assistance as required.

7. Public Notice and Hearing:

Public Notice and Hearing: Section 40101(d)(2)(B)(ii) requires that eligible applicants give notice and undertake a public hearing to review the criteria and methods they anticipate using to grant awards to eligible entities and the proposed funding distributions and recipients of the grant awards to eligible entities. The applicant should use the public hearing to share the approach envisioned for setting objectives and metrics and the proposed funding distributions and recipients of the grant awards to eligible entities. Provide a brief description of the notice and public hearing process, including the number and types of organizations that attended. Also, report on the outcome of the public hearing such as approaches for engaging stakeholders for establishing formal objectives and metrics and for implementing strategic planning processes. Provide a copy of the notice as an attachment to the Program Narrative.

Note: DOE anticipates that the Program Narrative will be between 5 and 15 pages, depending upon the grant amount and complexity of resilience activities. DOE may reject applications and require revisions, if it determines that the program narrative lacks sufficient detail or does not comply with stated requirements. Save the information in a single file named (APPLICANT NAME PROGRAM NARRATIVE.pdf).