

# Bipartisan Infrastructure Law- Section 40101(d)

Preventing Outages and Enhancing the Resilience of the Electric Grid

STATE OF MINNESOTA  
FEBRUARY 17, 2023

## Program Narrative

### Overview

The Minnesota Grid Resilience Formula Grants program, funded through Section 40101(d) of the Infrastructure Investment and Jobs Act (IIJA), will be administered through the Minnesota Department of Commerce, Division of Energy Resources, State Energy Office (MN SEO), the Governor-designated office with authority to administer these formula funds. The MN SEO will apply for the full allocation of annual formula funding from U.S. Department of Energy (DOE) available to that state throughout the next five years. The known amounts are \$6,058,080 in year one and \$5,929,714 in year two for a combined two-year funding request of \$11,987,794. This Program narrative covers the proposed use of Minnesota’s year one and two of funding allocation and will be used as a strategic foundation for the full five years of the 40101(d) program. Minnesota will file updated proposals in years three, four and five as required, with annual updates building on and evolving from the initial plans laid out in this document.

The MN SEO will invest IIJA formula funding to improve the resilience of the state’s electric grid against disruptive events. The following narrative includes background information on Minnesota’s electricity industry landscape and also the following required content as laid out by the U.S. Department of Energy’s (DOE) [Administrative and Legal Requirements Document](#) for the 40101(d) program:

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## Background

### MINNESOTA ELECTRIC DELIVERY, NATURAL HAZARDS, AND ELECTRIC OUTAGES

Minnesota witnesses a broad range of extreme weather events throughout any given year, including heat waves, extreme cold, heavy snowfall winter storms, extreme rainfall, droughts, severe thunderstorms and tornadoes. The climate projections summarized in the *4th National Climate Assessment* indicate that conditions for severe convective weather will become more common across the state, but it is yet unclear if this will increase the frequency of these events or increase their severity, particularly through more damaging tornadoes, stronger convection winds, and/or larger hail.<sup>1</sup> The Minnesota Department of Natural Resources similarly concludes that climate change has already impacted Minnesota's weather and climate hazards and will increasingly do so, particularly through overall temperature increases, particularly in the winter, more extreme rain events, and more heat waves in the summer.<sup>2</sup> As the state is beginning to witness the impacts of climate change through increasing frequency and/or severity of extreme weather, these events have already had clear and measurable impacts across the state's 174 electric utilities. Some of these impacts are summarized below.

In the most recent survey of Minnesota electric cooperative utilities conducted by the Minnesota Department of Public Safety in 2014, 59% of the 18 responding utilities indicated that flooding had adversely affected or damaged critical infrastructure in their service area and 83% indicated that windstorms have a high potential to impact electrical infrastructure. Additionally, nearly all (94%) of respondents indicated their operations and infrastructure have been affected or damaged by a tornado in the past.<sup>3</sup> This damage is directly correlated to the type of electrical infrastructure used by utilities. In 2014, Minnesota had an estimated 127,669 miles of distribution lines, of which only 35% (45,372) were underground and therefore less vulnerable to windstorms. The resulting 64.5% (82,297) of the overhead distribution lines owned and maintained by the cooperatives are vulnerable to damage from windstorms.

The state's most recent *All-Hazard Mitigation Plan*, published in 2019 by the Department of Public Safety reaffirmed the results of the 2014 survey and the conclusions drawn in the 2014 *Rural Electric Annex*. In reassessing and identifying specific vulnerabilities to electric cooperative and municipal utility infrastructure from windstorms, it concluded that the most vulnerable electrical structures to wind events continue to be overhead utility lines and corresponding poles.<sup>4</sup> Without mitigation efforts, rural electric cooperative and municipal utility infrastructure will likely continue to become more vulnerable.

In March of 2021, U.S. DOE Cybersecurity, Energy Security, and Emergency Response published the *State of Minnesota Energy Sector Risk Profile* which found the following attributes for the years 2008-2017:<sup>5</sup>

- The leading cause of electric outages was weather or falling trees (32%), followed by faulty equipment and human error (26%).
- The greatest number of electric outages occurred in March, placing Minnesota 7<sup>th</sup> for outages nationwide.
- The average number of customers affected by electric outages each year was 356,918, with greatest number of 1,460,810 taking place in 2011.

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<sup>1</sup> U.S. Global Change Research Program, [4<sup>th</sup> National Climate Assessment](#), 2018.

<sup>2</sup> Minnesota Department of Natural Resources, [https://www.dnr.state.mn.us/climate/climate\\_change\\_info/climate-trends.html](https://www.dnr.state.mn.us/climate/climate_change_info/climate-trends.html)

<sup>3</sup> MN Department of Public Safety, Minnesota All Hazard Mitigation Plan [Rural Electric Annex](#), 2014.

<sup>4</sup> MN Department of Public Safety, [Minnesota State Hazard Mitigation Plan, 2019](#).

<sup>5</sup> U.S. DOE Cybersecurity, Energy Security, and Emergency Response, [State of Minnesota Energy Sector Risk Profile](#), March 2021.

## Objectives and Metrics

The MN SEO will set the following objectives and metrics for guiding resilience investment decisions on projects applying for or awarded 40101(d) funding:

Objective	<p><b>Maintain or improve energy reliability and/or resilience:</b> Assist eligible entities to maintain or increase their energy resilience by reducing the likelihood and consequences of power outages within their utility territory and/or community.</p>
Metric	<p><b>Identifier:</b> Projects that meet federal and state requirements proposed by eligible entities that maintain or improve energy reliability and/or resilience within an area of the utility territory, utility territory overall, or within a community.</p> <p><b>Measure:</b> Number of projects and percentage of funds for projects that maintain or improve energy reliability and/or resilience through metrics identified in IEEE 1366 reliability metrics or other related measure approved by MN SEO with or without major event days within a specific area over time. MN SEO wants to support eligible entities and their associations on how to increase utilization of these types of industry standard metrics. More prescriptive requirements may be determined as the program matures over the five-year period.</p>
Objective	<p><b>Generate the Greatest Community Benefit:</b> Prioritize projects that would generate the greatest community benefit in reducing the likelihood and consequences of disruptive events.</p>
Metric	<p><b>Identifiers:</b> Projects that -</p> <ul style="list-style-type: none"> <li>• Provide economic benefit to community</li> <li>• Support energy reliability and/or resilience for essential facilities, systems, and networks integral to a community’s health, safety, economic, and cultural wellbeing.</li> <li>• Are supported by the community</li> <li>• Ensure Minnesota allocates all funds received to Minnesota projects</li> </ul> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>• Track project impact(s) on community economic benefits<sup>6</sup></li> <li>• Number of projects and percentage of funds for projects that support essential facilities, systems, and networks integral to the health, safety, economic, and cultural wellbeing of a community</li> <li>• Number of projects and percentage of funds allocated to projects that are supported by the community.</li> <li>• Number of projects and percent of allocated funds on projects located in Minnesota</li> </ul>

<sup>6</sup> More specific metrics may be determined as the program matures over the five-year period.

Objective	<b>Enhance Equity:</b> Align with the Federal Government’s Justice40 initiative and prioritize projects that serve disadvantaged communities
Metric	<p><b>Identifier:</b> Projects that support areas that are identified as disadvantaged communities by <a href="#">the Climate and Economic Justice Screening Tool</a>, <a href="#">the Energy Justice Dashboard</a>, or as approved by the MN SEO.</p> <p><b>Measure:</b> Number of projects and percentage of funds for projects that support Minnesota disadvantaged communities.</p>
Objective	<b>Support Quality Jobs as well as Diversity, Equity, Inclusion (DEI), and Accessibility:</b> Strengthen prosperity by expanding good-paying, safe jobs accessible to all workers and job growth through investments in domestic supply chains.
Metric	<p><b>Identifier:</b> Projects proposed by employers that:</p> <ul style="list-style-type: none"> <li>• Create and/or retain high quality, good-paying jobs with access to benefits for all classifications and phases of work</li> <li>• Provides employees with the ability to organize, bargain collectively, and participate through labor organizations in decisions that affect them</li> <li>• Have access to a sufficient supply of appropriate skilled labor with a plan to minimize the risk of labor disputes or disruption</li> <li>• Consider DEI as well as accessibility goals within their organization and/or work through direct employees, contractors, and sub-contractors</li> </ul> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>• Track new and/or existing Full Time Equivalent (FTE) jobs supported and average hourly rate by job category resulting from project(s)</li> <li>• Number of projects and total funds that use workforce and community agreements</li> <li>• Number of projects and total funds that support partnerships to develop training opportunities and career paths</li> <li>• Number of projects and total funds that support minority/woman/veteran owned business for supplies, services, or equipment</li> </ul>
Objective	<b>Mitigate Natural Hazard Risk:</b> Maintain or improve energy reliability or resilience against major Minnesota disruptive events such as extreme weather and other natural disasters.

<b>Metric</b>	<p><b>Identifier:</b> Projects that support areas with higher Federal Emergency Management Agency (FEMA) National Risk Index (NRI) risk scores<sup>7</sup> for major Minnesota disruptive events<sup>8</sup></p> <p><b>Measures:</b> Number of projects and percentage of funds for projects that support areas with higher FEMA NRI risk ratings.</p>
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*\*Not all identifiers and measures may apply to all projects that receive subawards.*

## Methods of Selecting Subaward Projects

### Competitive Solicitation General Guidelines

The MN SEO will administer a competitive grant solicitation process for Minnesota eligible entities to partner with the MN SEO. During each application cycle, the MN SEO will seek proposals from eligible entities in Minnesota through a request for proposal (RFP) process. The MN SEO will follow established state procurement practices to solicit, award, and distribute grant awards; competitive bids will be solicited per guidelines set forth in the State’s Office of State Procurement (OSP) and Office of Grants Management (OGM) for professional technical and grant awards respectively.

Prior to the proposal submission deadline responders will have the opportunity to submit questions about the RFP. Responses and other information will be published publicly to all potential responders. Eligible entities will be asked to submit their project proposal in an application template to be developed by the MN SEO. To save eligible entities’ time and resources in developing a full proposal for projects that do not meet requirements, the MN SEO will also strive to establish a combination of educational, informational, and solicitation processes that will help eligible entities identify if their proposals are competitive for grant funds.

MN SEO will establish guidelines to ensure that competitive solicitations issued collectively align with U.S. DOE 40101(d)(6) small eligible entity requirements per BIL § 40101(d)(6). Requirements stipulate that the percentage of funds made available to eligible entities in Minnesota that sell no more than 4,000,000 megawatt hours (MWh) of electricity per year will not be less than the percentage of all customers in the state that are served by those eligible entities. Because 45 percent of Minnesota’s electric customers are served by eligible entities that sell less than 4,000,000 MWh of electricity per year, (including all cooperative electric utilities and municipal electric utilities), MN SEO will initially offer 45 percent of total programmatic funds exclusively to these small eligible entities. However, within any individual year, and/or solicitation period, MN SEO may award more or less than 45 percent to small eligible entities. Each solicitation will stipulate two separate application tracks; responders will be required to self-identify and apply under which track they are eligible. The two tracks are generally outlined as follows:

#### **Track One: Small Eligible Entities**

Eligible entities with less than 4,000,000 MWh annual sales, as determined by the most recent retail sales reported through EIA form 861. Subaward eligible entities may include organizations that are not utilities (as determined by the U.S. Department of Energy Secretary).

<sup>7</sup> <https://www.fema.gov/flood-maps/products-tools/national-risk-index>

<sup>8</sup> Major Minnesota disruptive events: flood, wind, tornado, winter, ice, cold

### **Track Two: Large Eligible Entities**

Eligible entities with greater than 4,000,000 MWh in annual sales, as determined by the most recent retail sales reported through EIA form 861. Subaward eligible entities may include organizations that are not utilities (as determined by the U.S. Department of Energy Secretary).

The MN SEO anticipates up to \$2,000,000 per eligible entity may be awarded. However, in response to feedback received throughout stakeholder engagement sessions, a greater number of smaller awards will likely be granted. This will allow the MN SEO to support of a larger number of eligible entities and projects and aligns with the MN SEO intent to award subawards across a wide range of different eligible entities throughout the state. Under year one formula funding allocation, the number of awards issued is anticipated to be between 5-15. The MN SEO reserves the right to provide no subawards, partial subawards, or full subawards for any project proposal. Eligible entities may submit no more than one proposal per solicitation period. More than \$2,000,000 could be awarded to one single proposal if it supported a consortium of eligible entities.

#### **Minimum Proposal Requirements**

For consideration, responders will be required to follow specified deadlines, processes and formatting that will be detailed and outlined in the published RFP. All proposals must additionally meet a set of minimum required qualifications to remain eligible. Examples of minimum qualifications include requirements from the Federal Administrative Legal Requirements Document (ALRD), qualifications of the entity conducting the work, project budget, and other basic information submitted as required by the federal and Minnesota law and policies.

Responders must comply with all federal flow down requirements if awarded a grant. Examples of the requirements included in the ALRD include:

- Buy America Requirements for Infrastructure Projects (ALRD section V.M.)
- Davis Bacon wage determination and reporting requirements (ALRD section V.N.)
- Environmental Review (ALRD section V.B.)
- Executive compensation (ALRD section V.B.)

#### **Criteria for Selection**

Proposals that meet these minimum qualifications and confirm compliance with flow down requirements will be scored using a scoring rubric. This rubric, including specific criteria and weighting metrics, will be established by the MN SEO within the subaward process based on the identified [Objectives and Metrics](#). In conjunction with the rubric, procedures are set forth at the state level and followed in coordination with the State Office of Equity in Procurement (OEP) that will be utilized for targeting vendors such as those owned by minorities, women, and veterans.

The MN SEO will select representatives to form a team to evaluate all eligible proposals. In some instances, an outside source or technical authority who did not submit a proposal and is not a project partner in a proposal submitted by another party may be included on the evaluation team to provide a particular expertise or perspective.

The highest scoring proposals through each RFP process will be selected for subawards up to the available allocated funding. If subaward eligible entities are not able to commit to subaward allocation requirements within the fiscal year, the MN SEO may reallocate those funds to other projects that are

able to accept the allocation within the fiscal year. The MN SEO reserves the right to not allocate any funding to eligible entities within any of the RFP processes throughout the five-year period.

## Data and Reporting Requirements

Subaward recipients will be required to provide quarterly and/or annual reporting to describe activities completed to date and progress toward objectives and metrics. To help increase accessibility of subawards pending subaward amount, eligible entity capacity, and/or how projects are proposed to achieve state objectives and metrics, these reporting requirements may differ between projects as determined by MN SEO.

The MN SEO is currently adopting a Customer Relationship Management (CRM) system and plans to utilize this to both collect data as well as increase the accessibility of data. The CRM is expected to allow grantees to directly enter metrics to be reported to the MN SEO. The MN SEO will then be able to report these metrics to U.S. DOE or others as needed. Additionally, these metrics can be streamlined to keep the public apprised of the use of the programmatic funds and provide summaries of public data and/or other information of interest related to the awarded projects. Methods may include public data hosted on its public website and/or within reports, presentations, newsletters, or other methods MN SEO deems necessary.

The MN SEO aims to increase accessibility of applicable public data. For example, proposals will be required to indicate whether the proposed project location(s) is within a floodplain, how the floodplain was defined, and how future flooding will factor into the project's design. The MN SEO will utilize the CRM in combination with public datasets to provides resources, summaries of public data, and information related to proposal requirements such as the floodplain example. By increasing accessibility of public data, MN SEO aims to assist potential responders in meeting application reporting requirements and develop their proposal.

## Funding Distribution in Successful Subawards

### Anticipated Distribution

Through stakeholder engagement to date, MN SEO estimates funding will be distributed as follows:

Eligible Entity <sup>9</sup>	Proposed Funding Distribution
<b>Electric Grid Operator</b>	Estimated 1%
<b>Electric Storage Operator</b>	Estimated 1%
<b>Electricity Generator</b>	Estimated 1%

<sup>9</sup> For subawards issued under this opportunity eligible responders are eligible entities in Minnesota, as defined in Section 40101(d)(a)(2), such as an electric grid operator, an electricity storage operator, an electricity generator, a transmission owner or operator, a distribution provider, a fuel supplier, and/or any other relevant entity, as determined by the (U.S. Department of Energy) Secretary.

<b>Transmission Owner or Operator and/or Distribution Provider</b>	Estimated 95%
<b>Fuel Supplier</b>	Estimated 1%
<b>Any Other Relevant Entity, as Determined by the (U.S. Department of Energy) Secretary</b>	Estimated 1%

The final competitive solicitation process and details that will allocate subawards will ultimately determine how funds are distributed between eligible entities and as a result may not reflect this anticipated funding distribution. For subawards, funds will be distributed on a reimbursement basis according to standard state contracting requirements.

#### Cost Match

Cost matching for the non-federal share will be calculated as a percentage of the Federal funds only, rather than the Total Project Cost. Funds must be expended at the appropriate rate during program implementation. An eligible entity that receives a subaward under this program that sells 4,000,000 MWh of electricity per year or more is required to match 100 percent. An eligible entity that sells less than 4,000,000 MWhs of electricity per year is required to match one-third. In addition, if MN SEO is not able to attain funds to use for match from the Minnesota Legislature, eligible entities may be required to provide an additional 15 percent match to meet the state portion of matching funds required under 40101(d).

Once projects are selected the eligible entity must provide a cost match commitment letter agreeing to meet the cost matching as required in IIJA Section 40101(h) to proceed with subaward allocation.

#### Cost Recovery

Pursuant to Section 40101(e)(2)(B), an eligible entity may not seek cost recovery for the portion of the cost of any system, technology, or equipment that is funded through a grant awarded under the program. However, an eligible entity is not prohibited from recovering through traditional or incentive-based ratemaking any portion of an investment in a system, technology, or equipment that is not funded by a grant award under this program. For example, if Utility A, a utility that sells more than 4 million MWh of electricity annually, receives a \$1,000,000 award and provides \$1,000,000 in matching funds for a total project amount of \$2,000,000, then Utility A may not recover the \$1,000,000 federal award but may ask for cost recovery of the \$1,000,000 match.

### Equity and Community Benefits Planning

MN SEO is committed to establishing collaborative strategies and project objectives to improve the equity of the U.S. power system. While no single organization or decision-making unit has control over all aspects of energy equity, projects such as this allows MN SEO to play a role in advancing energy equity, providing every American, regardless of their background, access to reliable, pollution-free, and affordable electricity. Through this project, MN SEO is committed to continually reviewing policies and strategies with an equity lens, seeking input and collaboration from disproportionately impacted communities, and prioritizing actions with the greatest opportunity for improving equity.



Low-income communities and communities of color disproportionately bear the negative externalities associated with energy costs without proportionate access to its benefits. In Minnesota, Black, Indigenous, people of color, and lower-income individuals are exposed to higher levels of air pollution resulting from historical and ongoing structural racism. Inequitable policies such as racial covenants, redlining, the destruction, and division of Black neighborhoods to build Interstates 94 and 35W, and zoning and permitting decisions that concentrate pollution sources in marginalized communities continue to cause harm. As a result, residents in these communities face greater health risks. Equitably developing our energy distribution and delivery systems will ensure that all Minnesotans can access energy that is clean, reliable, and affordable.

Because advancing energy equity is not linear, MN SEO is intentional toward taking multiple approaches—quantitative and qualitative, regulatory and policy, near-term and long-term—for advancing equity where the needs and the opportunities are greatest. MN SEO is committed to define energy equity and frontline communities in statute and set a requirement that new investments and benefits prioritize these communities and measurably reverse existing disparities and inequities. MN SEO works closely with partners and other agencies to define energy equity metrics and targets for utility energy efficiency and integrated resource plans. In addition, MN SEO has established outreach goals informed by review of data to identify gaps and develop approaches to collect, report, and mobilize consumers, increase transparency, and make formal proceedings more accessible. Procurement and investments are informed by processes that prioritize communities that have historically been excluded from benefits. Further, energy equity impacts among different groups of consumers are tracked to improve engagement, promote distributional equity through infrastructure investments and promoting community ownership of distributed renewables and storage, and investing in programs that address the root causes of energy poverty and insecurity.

Equity has been a guiding principle and an approach already through state plan development and will continue to guide this program through subaward process development, outreach, and project selection. Stakeholder feedback has already occurred statewide with a variety of utility types, including municipal, cooperative, and investor-owned electric utilities, representing communities of varied locations (rural and urban), sizes, and economic, social, and demographic make-ups. There were two surveys issued to Minnesota utilities and non-utilities and approximately 40 percent of the 174 Minnesota electric utilities responded. Follow-up calls then engaged with approximately 20 electric utilities, including municipal, cooperative, and investor-owned electric utilities statewide.

MN SEO recognizes that the eligible entities that may benefit from these funds vary in size, capacity, expertise, and locations (rural and urban) and therefore is working on developing an equity approach that is accessible and meaningful to the wide variety of eligible entities. To enhance accessibility, the subaward process will include a proposal application guide and the MN SEO will reserve the capability to vary reporting requirements between subawards. The plan is to conduct a webinar on the final state plan, subaward process, resources, and technical assistance available through MN SEO related to this program. The resources include public datasets to further unpack and clarify information about disadvantaged communities and electric utilities. Direct outreach is also planned to the electric utilities that serve disadvantaged communities to help raise awareness of this program.

The MN SEO is dedicated to ensuring fairness, precision, equity, and consistency in competitive grant awards as part of our commitment to diversity and inclusion and to adhere to State of Minnesota policy.

Projects selected for subawards will be prioritized based on criteria developed from the [Objectives and Metrics](#). This framework is the backbone of the equity approach as it prioritizes supporting greatest community benefit, disadvantaged communities, DEI, accessibility, and quality jobs to determine subawards. Diversity and inclusion have also been incorporated into MN SEO grant-making processes to encourage grantees and contractors to formally join us in this commitment. For example, the State of Minnesota’s Policy on Rating Criteria for Competitive Grant Review establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities and/or disparities. Diverse populations include: Racial and ethnic communities, including American Indians, LGBTQ+ populations, Disability status, Veterans and Geographic diversity within and across Minnesota.<sup>10</sup> The MN SEO encourages eligible entities to review the [U.S. DOE resources on Community Benefits Plans](#) and anticipates that incorporation of those guiding principles will help enhance competitiveness of project proposals for Minnesota Grid Resilience Formula Grants program as relates to the final criteria within the subaward process.

Aside from the information developed by the DOE on community benefits plans, the MN SEO identified the following examples of best practices to guide eligible entities in determining what to incorporate into their proposal submission. Eligible entities are not limited to use of these metrics or best practices exclusively to communicate their proposal’s equity approach.

Applicable Objective / Metric	Best Practice Example
<p><b>Generate the Greatest Community Benefit:</b> Prioritize projects that would generate the greatest community benefit in reducing the likelihood and consequences of disruptive events.</p> <p><b>Identifiers:</b> Projects that -</p> <ul style="list-style-type: none"> <li>• provide economic benefit to community</li> <li>• are supported by the community</li> </ul>	<p>Demonstrate community economic benefit via -</p> <ul style="list-style-type: none"> <li>• Ratepayer savings</li> <li>• Industry-standard economic development metrics</li> <li>• Expanded market opportunities, and/or local economic spending during construction</li> <li>• Cost savings to eligible entity and/or community due to reduced outages</li> <li>• Leveraging other funding</li> </ul> <p>Are supported by the community, indicated via-</p> <ul style="list-style-type: none"> <li>• Public input processes</li> <li>• Governing body adopted plans and/or goals</li> <li>• Community letters of support</li> </ul>
<p><b>Enhance Equity:</b> Align with the Federal Government’s Justice40 initiative and prioritize projects that serve disadvantaged communities.</p> <p><b>Identifier:</b> Projects that support areas that are identified as disadvantaged communities by <a href="#">the Climate and Economic Justice Screening Tool</a> or as approved by the MN SEO.</p>	<p>The proposal identifies that the project supports areas that are identified as disadvantaged communities by using –</p> <ul style="list-style-type: none"> <li>• <a href="#">Climate and Economic Justice Screening Tool</a></li> <li>• <a href="#">Energy Justice Dashboard</a></li> <li>• Other tools as approved by the MN SEO</li> </ul>

<sup>10</sup> LGBTQ means lesbian, gay, bisexual, transgender and queer or questioning.

<p><b>Support Quality Jobs as well as Diversity, Equity, Inclusion, and Accessibility:</b> Strengthen prosperity by expanding good-paying, safe jobs accessible to all workers and job growth through investments in domestic supply chains</p> <p><b>Identifier:</b> Projects proposed by employers that-</p> <ul style="list-style-type: none"> <li>• Create and/or retain high quality, good-paying jobs with access to benefits for all classifications and phases of work</li> <li>• Provide employees the ability to organize, bargain collectively, and participate in labor organizations in decisions affecting them</li> <li>• Have access to a sufficient supply of appropriate skilled labor with a plan to minimize labor dispute risks or disruptions</li> <li>• Consider DEI and accessibility goals within their organization and/or work through direct employees, contractors, and sub-contractors</li> </ul>	<p>Use workforce and community agreements e.g. -</p> <ul style="list-style-type: none"> <li>• Project labor agreements</li> <li>• Community benefits agreements</li> <li>• Community workforce agreements</li> <li>• Collective-bargaining agreements</li> </ul> <p>Use of partnerships to develop training opportunities and career paths e.g. -</p> <ul style="list-style-type: none"> <li>• Leveraging partnerships at technical colleges</li> <li>• Utilize resources, like MN Dep. of Labor and Industry’s <a href="#">Labor Education Advancement Program (LEAP) Grant</a>, which provides funding to community-based organizations to facilitate participation of people of color, Indigenous people and women in registered apprenticeship programs.</li> </ul>
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Subaward proposal guidance will also request information from eligible entities on how their project goes beyond measures that are already being undertaken through current resilience planning in their application proposal submissions. For state regulated utilities, the Integrated Distribution Planning dockets (reliability improvement and grid modernization) and Service Quality Dockets may have information about past resilience investment that the State could also reference.

### Technical Assistance and Administration

The MN SEO will prioritize technical assistance on reporting and data management best practices responsive to the needs self-identified by utility and non-utility stakeholders through surveys and one-on-one calls with MN SEO. Stakeholder feedback from small municipal and cooperative utilities regularly and consistently emphasized a lack of staff capacity to access grant opportunities, and data management for post-award reporting requirements as the greatest barrier to applying for and accessing Section 40101(d) funds.

Throughout the course of stakeholder engagement efforts, the MN SEO learned that a majority of the utilities in the state have existing asset health and reliability assessment programs in place to inform their outyear capital budget planning practices. Given the staff resource constraints and relatively small customer base municipal and cooperative utilities have available to recover the costs of infrastructure investments, distribution projects to increase reliability have traditionally been effectuated in a reactive manner as needs are identified on the physical system by its operators and line workers. Fifty percent of utility survey respondents indicated that they have implemented a more proactive approach and utilize existing grid resilience plans to schedule system upgrades, and one of the outcomes of the MN SEO’s technical assistance will be facilitating a standardized approach for sub-awardees to integrate proposed resiliency projects with existing planning and workorder management practices to enable efficient and cost-effective completion of projects in compliance with DOE requirements.

The MN SEO intends to use up to 5 percent of the formula funding over the five-year period for staff and/or contractors and/or subcontractor to provide technical assistance, project administration, and/or facilitation of the distribution and sharing of information. For example, related to year one formula funding allocations, \$302,904 of the \$6,058,080 formula funding allocation could be retained by the MN SEO and used for the following:

Needs Assessments and Technical Assistance:

- Project team and site assessments to identify capacity gaps
- Information collection through analysis tools, public data resources and primary site data
- Project verification to help estimate cost savings from avoided energy purchases and deferred infrastructure capacity investment
- Identification of critical infrastructure, facilities, and/or sites within the service territory where a decreased loss of load expectation provides the greatest community benefit in a resiliency event
- Assessment of the capabilities and interoperability of legacy communications and control software and potential add-ons to improve data collection and grid visibility

Collaborative Planning Assistance:

- Stakeholder Engagement
- Recommendations for near-term energy projects
- Comprehensive long-term planning
- Coordination with state, county, and local emergency management plans and operations

Grant and Project Management Guidance:

- Application assistance, grant writing
- Assistance navigating local and federal law compliance requirements and deadlines
- Help identifying financial incentives and financing options
- Solicitation and procurement guidance
- Data management, reporting support
- Grid resilience investment education

Other Assistance:

- Support around considerations related to incorporation of DEI and/or accessibility, other aspects of proposal equity approach, as well as workforce development
- Program administration activities may include indirect costs and IT, as well as additional stakeholder engagement and program development.
- Any method to facilitate the distribution and sharing of information related to this program and recognition for investing in energy efficiency, reducing carbon emissions, and improving investment value and benefits to community

## Public Notice and Hearing

### Public Notice

On February 17, 2023, the MN SEO posted a Public Notice along with a Draft Program Narrative of MN SEO's plan for usage of funds received under the 40101(d) Formula Grant program. The DRAFT narrative included details on activities and projects Minnesota would seek to support and priorities and procedures to be used in distributing the subawards to eligible entities applying to the subaward program. The Public Notice and DRAFT Program Narrative was also distributed on February 17, 2023, to 23,000+ subscribers to MN SEO's periodic Federal Funding Opportunities e-newsletter. Details were included on the Virtual Public Hearing scheduled for March 3, 2023, as well as directions on how parties could submit written

comments on the plan either online or verbal comments during the Virtual Public Hearing. The deadline for receiving all comments was close of business on March 7, 2023, two business days following the public hearing.

#### Public Hearing

On March 3, 2023, MN SEO held a public hearing to share MN SEO's planned approach for granting subawards to eligible entities applying to the program. Detail included in the public hearing included: MN SEO's objectives for the program, criteria for project selection, proposed methods for distributing funds, metrics to measure project progress toward program objectives, expected reporting requirements and discussion regarding the MN SEO's expectations for subaward applicants to submit a Community Benefits plan outlining applicant's plans for including Justice40, workforce development, outreach, and engagement plans in subaward applications.

#### Agenda: XXX

#### Number and Types of Organizations that Attended:

The number and types of organizations will be described here after the public hearing.

#### Input:

Input as a result of the public hearing will be incorporated and summarized here after the public hearing.

#### Questions and Answers:

Questions and answers as a result of the public hearing will be included here after the public hearing.

#### Other Public Engagement and Input

In addition to the public notice and hearing, MN SEO engaged stakeholders in the following ways to publicize the formula funding opportunity and collect input on state planning.

- State [Website](#)
- Survey for non-utility stakeholders
- Survey for utility stakeholders
- Inclusion in GovDelivery emailed newsletter (by subscription) to provide background and solicit stakeholder input via surveys
- Virtual stakeholder meetings and webinars
  - Cooperative and Municipal Utilities, Building a Better Grid information session on June 2, 2022
  - Climate Cities Coalition presentation August 10, 2022
  - Community Energy Collaborative (community-based organizations) July 19, 2022 meeting (briefing and request for community input), August 16, 2022 meeting (MN SEO present to gather feedback assembled over last month)
  - Governor's office Stakeholder: IJA updates by for All State Agencies, August 18, 2022
  - Tribal All-call Meeting on August 19 (11 Minnesota Tribal Nations), follow-up meeting on August 26, 2022 with Minnesota Chippewa Tribe (Six bands)
  - Community Energy Network (local units of government) presentation on August 22, 2022
  - Utility Stakeholder Meeting regarding first grid resilience survey on August 22, 2022
  - Public Utilities Commission Planning Meeting on August 23, 2022
  - Regional Economic Development organizations presentation August 25, 2022

- Board of Directors – Regional Economic Development Organizations presentation September 7, 2022
- Foundational Grant-seeking Webinar for Utilities on September 30 and October 4 in 2022
- Utility Stakeholder meeting regarding second grid resilience survey on November 17th
- Eleven phone calls with 20 Minnesota utilities between December 12 and December 23 in 2022
- Minnesota Chippewa Tribe follow-up meeting on January 13, 2023
- MREA Legislative Conference January 25, 2023
- Phone calls with interested parties including utilities as requested
- Email responses to public, consultant, and utility inquiries