

Alaska Energy Authority - Alaska Grid Resilience and Reliability - Formula

FY2023 Request: \$15,743,681
Reference No: AMD 64553

AP/AL: Appropriation

Project Type: Energy

Category: Development

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Curtis Thayer

Estimated Project Dates: 07/01/2022 - 06/30/2027

Contact Phone: (907)771-3000

Brief Summary and Statement of Need:

The Infrastructure Investment and Jobs Act (IIJA), Section 40101 “Preventing Outages and Enhancing the Resilience of the Electric Grid”, provides a Formula Based State and Tribal Grant Program that shall be utilized for grid resiliency and reliability initiatives. Funds are intended to increase grid resiliency, reliability initiatives, activities, technologies, and equipment to reduce the likelihood and consequences of disruptive events. Formula-based funding requires a 15% state match and a 33% sub-grantee match.

Funding:	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	Total
1002 Fed Rcpts	\$12,110,523	\$12,110,523	\$12,110,523	\$12,110,523	\$12,110,523		\$60,552,615
1003 G/F Match			\$1,816,579	\$1,816,579	\$1,816,579		\$5,449,737
1255 Reappropriations	\$3,633,158						\$3,633,158
Total:	\$15,743,681	\$12,110,523	\$13,927,102	\$13,927,102	\$13,927,102	\$0	\$69,635,510

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
15% = Minimum State Match % Required	<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill		

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Amendment 7 by Bishop

Project Description/Justification:

The unexpended and unobligated balance, not to exceed \$3,633,158 of the estimated balance of \$4,395,564, of the appropriation made in sec. 78(c), ch. 1, SSSLA 2002, as amended by sec. 69, ch. 29, SLA 2008, as amended by sec. 7(b), ch. 5, SLA 2012 (Department of Commerce, Community, and Economic Development, Alaska Energy Authority, upgrade and extend Anchorage to Fairbanks power transmission intertie to Teeland substation), is reappropriated to the Alaska Energy Authority for electric grid resilience and reliability for fiscal years 2023 and 2024.

AEA is the eligible recipient of this formula funded program. The goal of this financial assistance is to:

- (1) Demonstrate measurable improvements in energy resilience in the United States and mitigate

- climate-related risk,
- (2) Invest in modernized grid infrastructure that can enable consumer access to lower-cost energy and accommodate increased electrification, increased penetrations of variable renewable electricity and distributed energy resources, and other evolving system needs over the coming decades
 - (3) Invest in clean energy and de-carbonization solutions to achieve a carbon-free power sector by 2035 and net-zero greenhouse gas emissions economy-wide by 2050, and
 - (4) Create good-paying jobs with the free and fair choice to join a union.

The formula grant program will provide \$459 million annually over a period of five years to State and Indian Tribes. The Tribes may further allocate funds to “eligible entities” such as Alaskan utilities. Eligible entities for sub-award will go through an application and ranking process for sub-award. States and Indian Tribes will be required to submit applications each year conveying their approach for determining resilience investments and for allocating funds to eligible entities which may include:

- (1) An electric grid operator
- (2) An electricity storage operator
- (3) An electricity generator
- (4) A transmission owner or operator
- (5) A distribution provider
- (6) A fuel supplier, and
- (7) Any other relevant entity as determined by the Secretary (i.e. by DOE)

Section 40101 identifies the types of resilience investments permitted under this program:

- a) Utility pole management
- b) Weatherization technologies and equipment
- c) Hardening of power lines, facilities, substations, or other systems
- d) The undergrounding of electrical equipment
- e) The replacement of old overhead conductors and underground cables
- f) The relocation of power lines or the re-conductoring of power lines with low sag, advanced conductors
- g) Vegetation and fuel-load management.
- h) Weatherization technologies and equipment
- i) Fire-resistant technologies and equipment
- j) Monitoring and control technologies
- k) The use of construction of distributed energy resources for enhancing system adaptive capacity during disruptive events, including:
 - a. Microgrids
 - b. Battery-storage subcomponents
- l) Adaptive protection technologies
- m) Advances modeling technologies

Funding may also be used for the training, recruitment, retention, and reskilling of skilled and properly credentialed workers in order to perform the work required for the particular resilience measures listed above and described by the State in their program narrative.

Of the amounts made available to an AEA or Indian Tribe under Section 40101(d) Formula Grant Program, a State or Indian Tribe may not use more than 5% annually for:

- (1) Providing technical assistance and facilitating the distribution and sharing of information to reduce the likelihood and consequences of disruptive events
- (2) Administrative expenses associated with the program.

Each State and Indian Tribe shall be required to match 15% of the amount of each grant provided to that Tribe. Any eligible entity that receives a sub-grant under this program shall be required to match one-third (33%) of the amount of the sub-grant.