

Alaska Energy Authority - Statewide Grid Resilience and Reliability - IIJA Formula

FY2025 Request: \$13,927,102
Reference No: 65128

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 W. Thayer

Estimated Project Dates: 07/01/2024 - 06/30/2029

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Brief Summary and Statement of Need:

In support of the Infrastructure Investment and Jobs Act (IIJA) and the Building a Better Grid Initiative, the Department of Energy (DOE) developed a \$2.3 billion formula grant program to strengthen and modernize America’s power grid against wildfires, extreme weather, and other natural disasters. Section 40101 (d) of the IIJA established a formula grant program (Program) providing \$459 million annually over a period of five years to states (and Indian Tribes) to improve the resilience of the electric grid against disruptive events. The DOE’s allocation of funds to the State of Alaska under IIJA 40101(d) is \$12,110,523 annually for five years.

Funding:	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Total
1002 Fed Rcpts	\$12,110,523	\$12,110,523	\$12,110,523				\$36,331,569
1003 G/F Match	\$1,816,579	\$1,816,579	\$1,816,579				\$5,449,737
Total:	\$13,927,102	\$13,927,102	\$13,927,102	\$0	\$0	\$0	\$41,781,306

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

Sec14 Ch1 SLA2023 P83 L13 HB39 \$13,927,102
 Sec35 Ch11 SLA2022 P144 L1 HB281 \$3,633,158
 Sec11 Ch11 SLA2022 P85 L10 HB281 \$12,110,523

Project Description/Justification:

The Alaska Energy Authority (AEA) is the sole State entity for the State of Alaska to apply for, receive, and administer the IIJA Section 40101(d) federal funds. This project is for the State of Alaska allocation only and does not include funds allocated to Indian Tribes.

The objective of this program is to improve the resilience of the electric grid against disruptive events. Per IIJA section 40101(a)(1), a disruptive event is “an event in which operations of the electric grid are disrupted, preventively shut off, or cannot operate safely due to extreme weather, wildfire, or a natural disaster.” To achieve this objective, funding provided by DOE under the program may be used to implement a wide range of resilience measures intended to mitigate the impact of disruptive events,

including:

- a) weatherization technologies and equipment;
- b) fire-resistant technologies and fire prevention systems;
- c) monitoring and control technologies;
- d) the undergrounding of electrical equipment;
- e) utility pole management;
- f) the relocation or reconductoring of power lines with low-sag, advanced conductors;
- g) vegetation and fuel-load management;
- h) the use or construction of distributed energy resources for enhancing system adaptive capacity during disruptive events, including:
 - a. microgrids; and
 - b. battery-storage subcomponents;
- i) adaptive protection technologies;
- j) advanced modeling technologies;
- k) hardening of power lines, facilities, substations, of other systems; and
- l) the replacement of old overhead conductors and underground cables.

Funding may also be used for the training, recruitment, retention, and retraining of skilled and properly credentialed workers in order to perform the work required for the resilience measures listed above.

Resilience measures that are not allowed under Section 40101(d) include:

- 1. Construction of a new
 - a. Electric generating facility; or
 - b. Large-scale battery-storage facility that is not used for enhancing system adaptive capacity during disruptive events; or
- 2. Cybersecurity.

In August of 2023, AEA was awarded \$22,174,492 via the Grid Resilience State and Tribal Formula Grants program. This funding represents the allocation for the first two years of the five year formula allocation for the State of Alaska. AEA will hold a competitive selection process to issue subawards for this funding for the purpose of implementing eligible resilience measures that achieve the objectives of Section 40101(d), eligible entities include:

- a) an electric grid operator;
- b) an electricity storage operator;
- c) an electricity generator;
- d) a transmission owner or operator;
- e) a distribution provider;
- f) a fuel supplier, and
- g) any other relevant entity, as determined by the Secretary of DOE.