



Frequently Asked Questions

[May 2024 Update](#)

If an applicant files their application early, does it increase their chances of being awarded or will all applications commence review and award on an equal filing footing on July 19?

All applications will be reviewed and evaluated on equal footing at the close of the application period on July 19th.

Are phased or partial projects eligible for consideration?

Yes. All proposed projects, including phased and/or partial projects, will be eligible for consideration. Each project will be evaluated based on alignment to program objectives, benefits to Arkansas residents, and other scoring criteria included in the program guidance document.

Is a private company's research and development of power transmission technology considered eligible for this program?

A private company that is not considered one of the following entities at the close of the application period will **not** be eligible under this program – an electric grid operator, electricity storage operator, electricity generator, transmission owner or operator, distribution provider, or fuel supplier.

Regarding the development of transmission technology, according to U.S. DOE guidance, grants are focused on “activities, technologies, equipment, and hardening measures to reduce the likelihood and consequences of disruptive events.” Unless there is a strong case for how the development of this technology furthers the state’s grid hardening and resilience efforts, this would not be considered an eligible project.

Examples of permitted activities can be found on page 4 of the [Program Guidance](#) document as well as the [Low-Cost Resilience Projects](#) resource.

Would a private company, state agency, or municipality that intends to own and operate an electrical storage system be eligible for this program?

Entities that currently operate distributed energy resources (DERs) resources are eligible to apply for funding, so long as they are classified as an electric storage operator at the close of the application period (e.g. the entity already operates electric storage systems).

The use or construction of distributed energy resources for enhancing system adaptive capacity during disruptive events, including microgrids and battery-storage subcomponents are considered eligible enhancements.

Are the labor costs associated with using existing crews and equipment an eligible cost for the "Personnel" section of the budget?

Yes, the costs of using existing crews and equipment should be included in the Personnel section of the proposal budget.



Is there a DFA maximum award for a small utility project?

DFA is not imposing award limits for proposals. DFA reserves the right to determine whether a proposal will receive full or partial funding during the proposal evaluation process.

How is Right of Way (ROW) treated in the application criteria - is ROW acquisition for utility projects an eligible grant project cost or is ROW considered a "project readiness criteria" where all ROW should be acquired by the time the application is filed?

Per U.S. DOE Guidance in the Grid Program FAQs, Right of Way (ROW) Acquisitions are not eligible project costs and cannot be used as cost match. Specifically, "Acquisition of land or easements is not permitted under this grant program. Improvements to real property for the purpose of grid hardening or resilience is not considered acquisition of real property for the purpose of this grant program, and therefore may be permitted." See p. 3 of [U.S. DOE FAQs](#) document.

Acquisition of ROW is not required by the time an application is filed. An overall evaluation of project readiness criteria could include consideration of ownership of ROW.

Are "pre-award" costs incurred by a utility for a proposed project eligible to be counted toward the local match or are costs restricted to those expended or incurred during the grant award period?

No, allowable costs that will be counted toward local match are only those costs that will be expended or incurred during the grant award period.

Overview

What is the overall purpose of the Grid Enhancement Grant Subaward Program?

The Grid Enhancement Grant program provides funding to enhance and modernize America's power grid against disruptive events. In the context of this program, a 'disruptive event' is defined as "event[s] in which operations of the electrical grid are disruptive, preventively shut off, or cannot operate safely due to natural disasters."

Through this program, the state encourages industry investments across three main areas - increasing overall grid reliability and resilience, decreasing the effects of disruptive events on vulnerable communities, and developing the state's workforce.

What is the Period of Performance for this program?

The initial U.S. Department of Energy (U.S. DOE) award will have a Period of Performance of five years. Work must be performed within the Period of Performance of the grant agreement, ending in April 2028.

How do I apply for this funding?

All interested applicants must submit a completed project proposal with requested attachments (including the SF424 Form) to infrastructure@dfa.arkansas.gov no later than **5PM CST on Friday, July 19, 2024**. Applicants must comply with the eligibility parameters outlined in the Program Guidance document to be considered eligible.



What is considered a small utility?

A small utility is defined as selling less than 4,000,000 Megawatt Hours (MWh) per year.

Small utility applicants selected for preliminary award will be required to submit the U.S. Energy Information Administration (EIA) [EIA form 861M](#) or alternative documentation with your proposal demonstrating eligibility.

What are the Cost Match requirements for this program?

Under this program, U.S. DOE calculates cost match for small¹ utilities and large² utilities as a percentage of the Federal funds only, rather than the total project cost. For simplicity, DFA has calculated the following cost match percentages for **any** Total Project Cost:

- **Small:** Total cost match (to be provided by the applicant) would equal **32.9% of any project cost**. The subaward would be equal to 67.1% of the project cost.
- **Large:** Total cost match (to be provided by the applicant) would equal **53.7% of any project cost**. The subaward would be equal to 46.3% of the project cost.

What is an example of the cost match calculation for a small utility?

Example calculation for a small utility with a total project cost of \$500,000:

Project cost = \$500,000

Cost match provided by small utility = \$164,500 (32.9%)

Subaward provided by DFA = \$335,500 (67.1%)

What is an example of the cost match calculation for a large utility?

Example calculation for a large utility with a total project cost of \$500,000:

Project cost = \$500,000

Cost match provided by large utility = \$268,500 (53.7%)

Subaward provided by DFA = \$231,500 (46.3%)

Does DFA have a minimum or maximum limit to project funding awards?

Currently, DFA is not imposing limits on project size or scope for this first cycle of funding but reserves the right to do so in the future.

¹ This match amount is 1/3 required under U.S. DOE guidance, plus 15.8% excess match to satisfy the state's portion, as allowed under IIJA 40101(d).

² This match amount is 100% under U.S. DOE guidance, plus 15.8% excess match to satisfy the state's portion, as allowed under IIJA 40101(d).



[Proposal Submission](#)

When are project proposals due?

All proposed projects and attachments must be submitted by email to infrastructure@dfa.arkansas.gov no later than **5PM CST on Friday, July 19, 2024**. All applicants will receive an email confirming that DFA has received their submission.

What are the submission criteria?

Projects must: 1) demonstrate at least some implementation within the state of Arkansas, with direct benefits to Arkansans; 2) comply with the eligibility criteria; 3) be consistent with at least one of the three program objectives from the state Program Narrative; and 4) be submitted by email to infrastructure@dfa.arkansas.gov no later than 5PM CST on July 19th, 2024.

When can an applicant expect to hear back on their project proposal(s)?

The evaluation period will begin once the application period closes and notifications of preliminary awards are expected in September 2024. DFA will reach out directly to applicants who are selected for an award.

Final awards will be made during Fall 2024 and are contingent on federal approval and successful award negotiations between the applicant and DFA.

Please note that additional required information will be requested from applicants to facilitate the approval for all projects.

Can an applicant submit more than one project proposal during this first cycle of funding?

Yes, if an applicant desires to submit multiple eligible projects in multiple locations, the applicant must submit a separate proposal for each project and/or location.

Is there a page limit to the proposal?

The Project Narrative section is limited to a maximum of 2,000 words or 5 pages. Other sections and responses have word count limits.

Can an applicant apply to the State's Grid Enhancement Grant Program and the U.S. DOE Grid Innovation Partnerships Grant Program during the same application cycle?

An eligible entity is not allowed to submit the same proposal for a grant under IIJA Section 40101(c) and Section 40101(d) in the same application cycle. Eligible entities can submit proposals to both Sections 40101(c) and 40101(d) in the same application cycle if they are separate scopes of work that address different resilience measures.

How will proposals be evaluated?

Proposals will be reviewed and scored on how fully they satisfy the evaluation criteria listed below:

- Project Narrative (20 points)
- Concept Maturity (20 points)



- Community Benefit (20 points)
- Risk and Reporting (20 points)
- Replicability (20 points)

Eligibility

Who is eligible?

Eligible applicants generally include all Arkansas electric utilities (e.g., investor-owned electric utilities, electric cooperatives, and municipal electric utilities) as well as electric grid operators, electricity storage operators, electricity generators, transmission owners or operators, distribution providers, and fuel suppliers.

Please refer to the Program Guidance Document for a comprehensive list of eligible entities and descriptions. If you have questions or concerns regarding your organization's eligibility, please contact infrastructure@dfa.arkansas.gov for additional guidance.

Can an entity that is not based in Arkansas, but delivers utility services in the state, apply for funding?

Yes, so long as the project directly benefits Arkansans in areas such as improving grid resiliency and the effects of disruptive events.

What types of projects are eligible?

Most of the state's funding will be allocated to projects that strengthen the state's electric grid and are directly related to enhancing one or more of the following: adaptive protection technologies; advanced modeling technologies; fire-resistant technologies and fire prevention systems; hardening of power lines, facilities, substations, or other systems; monitoring and control technologies; relocation of power lines or reconductoring of power lines with low-sag, advanced conductors; replacement of old overhead conductors & underground cables; undergrounding of electrical equipment; use or construction of distributed energy resources (DERs) for enhancing system adaptive capacity during disruptive events, including microgrids and battery-storage subcomponents; utility pole management; vegetation and fuel-load management; and/or weatherization technologies and equipment.

Workforce development projects are also eligible **as related** to one of the eligible project types listed above. Applicants interested in proposing a workforce development project should reference the related Workforce Development Resource on the DFA Website.

Are there any other resources or examples of eligible projects?

In addition to the eligible projects list in the Program Guidance document, applicants may also reference project examples found in resources provided by the U.S. DOE.

- [Low-Cost Grid Resilience Projects](#)
- [Grid Resilience State and Tribal Formula Grant Website](#) – Additional Resources Section

What types of projects are ineligible for funding?



FAQs - Grid Enhancement Grant Subaward Program

Ineligible projects include construction of new electric generation facilities; large scale battery storage not used to supply electricity where needed during disruptive periods; purchase and installation of an emergency generator; cybersecurity measures; and/or compensation adjustments or bonuses to existing staff.

I have questions not covered in the Program Guidance or this FAQs. Who should I reach out to?

Implementation of the Grid Enhancement Grant program is led by the DFA's State Infrastructure Coordinator. Any inquiries or questions regarding the program and/or related materials put forth from DFA should be directed via email to infrastructure@dfa.arkansas.gov.