

Energy Improvements in Rural and Remote Areas

OVERVIEW

On May 11, 2023, the Department of Energy (DOE) Office of Clean Energy Demonstrations (OCED) announced the Energy Improvement in Rural or Remote Areas (ERA) Fixed Award Grant Program, DE-FOA-0003045, as part of the \$1 billion in energy improvements in rural and remote areas authorized by Section 40103(c)(3) of the Bipartisan Infrastructure Law (BIL). This Funding Opportunity Announcement (FOA) has one topic area, which solicits proposals to implement community-driven clean energy projects of at least \$500,000 and at most \$5 million, using one or more clean energy technologies that improve reliability and/or resilience of energy systems, reduce energy poverty, or improve the environmental performance of energy generation in a rural or remote community with populations of no more than 10,000 people. The ERA Program will provide resources to assist communities in building successful teams, developing necessary technical analyses, tracking metrics, and sharing experiences.

ELIGIBLE ENTITIES

Entities eligible to apply for this FOA include institutions of higher education, non-profit organizations, for-profit entities, states, local governmental entities, tribal nations, incorporated consortia, and unincorporated consortia. There are no limits to the number of submissions by an applicant provided each submission is for a unique project

FUNDING

This FOA provides \$50 million in Federal funding for 10-100 fixed-amount grant awards. There is no cost share associated with this FOA. The minimum federal award is \$500,000 and the maximum is \$5,000,000. After awards are made, DOE will work with each awardee to establish milestones for the proposed project. DOE will provide funding at the completion of each milestone and advanced funding to begin the first milestone may be available. Funding for subsequent milestones will depend on meeting performance requirements at prior milestones. Fixed amount grants may include, but are not limited to: partial payments based on milestones agreed to in advance by the parties; payments based on unit prices agreed to in advance; or, one payment for the full amount upon project completion.

PERIOD OF PERFORMANCE

The maximum project period is five (5) years.

CRITICAL DATES

Pre-applications are due July 13, 2023, and the deadline for full applications is October 12, 2023. A pre-application consists of short-answer questions to solicit targeted information about the proposed project and how it will benefit the community. Only successful pre-applicants will be invited to complete a more detailed full application.

ELIGIBLE ACTIVITIES

To be considered eligible, proposed projects must benefit a rural or remote community, as defined in Section 40103(c) of the BIL. Section 40103(c) of the BIL defines rural or remote areas as a "city, town, or unincorporated area that has a population of not more than 10,000 inhabitants." Applications must identify at least one area in the United States (including U.S. territories) with a population of not more than 10,000 (using the 2020 Census Bureau figures) that will benefit from the proposal. The identified area must be either: (a) a city, town, or other unincorporated municipality or (b) a Census Designated Place or similarly discreet and identifiable community that is not located within an incorporated municipality.

Clean energy projects funded under this FOA must satisfy at least one of the objectives listed in BIL Section 40103(c)(3). These "resilient clean energy objectives" are:

- A. Improving overall cost-effectiveness of energy generation, transmission, or distribution;
- B. Siting or upgrading transmission and distribution lines;
- C. Reducing greenhouse gas emissions from energy generation in rural or remote areas;
- D. Providing or modernizing electric generation facilities;
- E. Developing microgrids; and,
- F. Increasing energy efficiency.

Examples of projects that could be constructed under this FOA are provided below. Applicants are not limited to these examples and are encouraged to propose projects that best address the energy priorities of their community. Example projects include:

- Installation of standalone microgrids in critical facilities or resilience centers to ensure continuation of services during natural disasters.
- Installation of a community-owned solar and battery project to reduce electricity cost and increase energy resilience.
- Siting or upgrading of transmission and distribution lines, grid stability and resilience with substation improvements, or other electrical infrastructure improvements (hardware or software).
- Replacement of fossil fuel powered heating with heat pumps in community buildings or in a residential neighborhood.
- Deployment of small hydropower in existing conduits to generate recurring revenue that enables reinvestment in other community infrastructure.
- Innovative siting of solar panels, such as over canals or on agricultural land, to reduce local siting constraints and enable new ownership structures.
- Energy efficiency improvements for community buildings that reduce electric loads and energy costs.

- Installation of a distributed wind microgrid to reduce electricity cost and increase energy resilience through reducing demand upon diesel in a remote community.
- Installation of geothermal heating or ground loops for heat pumps.
- Installation of small-scale energy storage to provide power regulation or backup electricity to the grid.
- Replacement of a diesel generator with combined heat and power fed by Renewable Natural Gas at a food waste or wastewater treatment facility.
- Use of biogas from agricultural waste, either from biogas capturing or biogas generation through anaerobic digestion, to fuel onsite equipment and/or for pipeline injection.
- Replacement of a non-clean backup energy generation system, such as a diesel generator, with a clean energy generation backup system and/or energy storage system, at a water treatment plant or pump station.

KEY APPLICATION/AWARD PROVISIONS

Community Benefits Plan

Full applications must include a Community Benefits Plan that describes how the proposed project would incorporate the following four objectives: (1) support meaningful community and labor engagement; (2) invest in America's workforce; (3) advance diversity, equity, inclusion, and accessibility; and (4) contribute to the President's goal that 40 percent of the overall benefits of certain federal investments flow to disadvantaged communities (the Justice40 Initiative).

National Environmental Policy Act (NEPA)

Award recipients may be required to complete an Environmental Information Volume document during Milestone 1 of the project. An Environmental Information Volume is a document that describes the proposed project, alternatives to the proposed project, the existing environment at the project location(s), and the potential environmental impacts of the project. The Environmental Information Volume will support OCED's determination of what level of NEPA review is required (e.g., categorical exclusion, environmental assessment, or environmental impact statement) and inform the completion of DOE's NEPA review. Engagement with the DOE's NEPA team to develop environmental plans and analyses will be a significant component of the first two milestones of the awards. Completion of NEPA-related activities is a required component of the Milestone 2-3 review metrics.

Special terms and conditions for projects funded by the BIL

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Publication of information on the Internet;
- Access to records by Inspectors General and the Government Accountability Office;
- Requiring all of the iron, steel, manufactured goods, and construction materials used in the infrastructure activities of applicable projects are produced in the United States;
- Ensuring laborers and mechanics employed by contractors or subcontractors on BIL funded projects are paid wages equivalent to prevailing wages in the area;
- Undergoing Davis Bacon compliance training and maintaining compliance;
- Protecting whistleblowers and requiring prompt referral of evidence of a false claim to an appropriate inspector general; and,

- Certification and registration.

ADDITIONAL INFORMATION

Additional information can be found at [Energy Improvements in Rural or Remote Areas | Department of Energy](#).