FEDERAL GRANT OPPORTUNITIES

A Municipal Utility Perspective

October 15, 2026

PRESENTED BY:

Brandi Frazier Bestpitch
Managing Director, State Energy Office, Virginia Energy

VIRGINIA Energy

Agenda

1. Virginia Energy and the VGRIP Program
2. Resilience vs. Reliability
3. Why Apply for Grants?
4. Building a Strong Application and Budget
5. Federal Compliance and Finding Opportunities

Virginia Energy

Formerly the Department of Mines, Minerals, and Energy

Richmond:
State Energy Office

Policy
Federal Grant Administration
Energy Modeling & Data Analytics
Energy Efficiency
Renewables
Energy Security

Charlottesville:
Geology & Mineral Resources

Virginia's Geological Survey
Geological Risk Assessment
Land Use Planning

Big Stone Gap:
Mining/Gas and Oil

Safety Inspections
Permitting
Mine/Well Reclamation

Virginia Grid Reliability Program (VGRIP)

- **40101(d)**
  - *US Department of Energy*
  - *Infrastructure Investment and Jobs Act of 2021*
- Formula funds for cost shared grid **resilience**/reliability improvements
- Round 1: $5.2 Million
- Round 2: $11.5 Million
- Round 3: $1.24 Million – still in development
- Potential future rounds
  - National Association of State Energy Officials (NASEO) reports that US DOE still plans on releasing funds.

Resilience vs Reliability

Energy Reliability

- “How often does the power go out and for how long?”
- High probability, low impact
- Maintenance, equipment upgrades, operational improvements
- Reliability metrics: CAIDI, SAIFI, etc

Energy Resilience

- “What happens when a major storm, cyberattack, or fuel disruption hits?”
- Low probability, high impact
- “Cascading impact”
- Backup generation, microgrids, distributed energy resources, contingency planning
- “Major Event Days”

Resiliency

Ultimately more about “bouncing back” from extreme events than preventing them

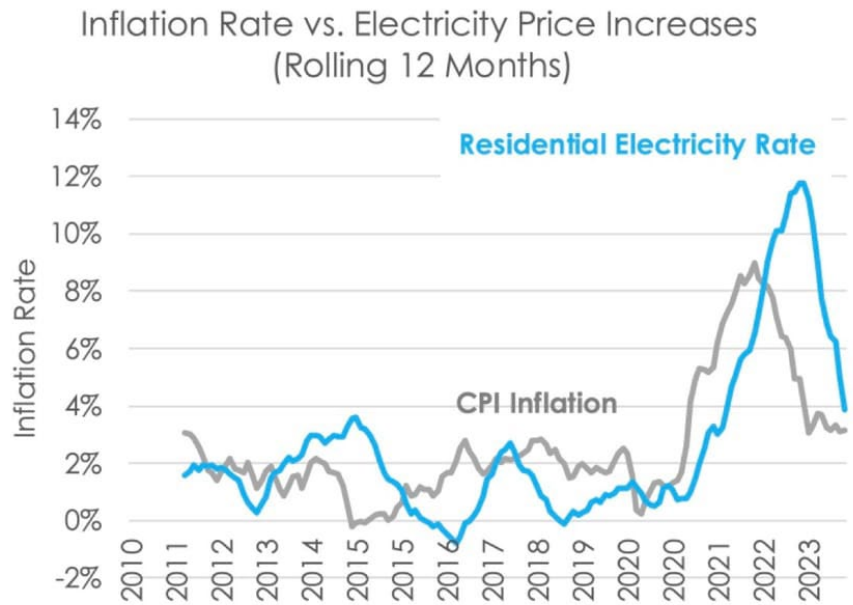
Why Apply for Grants?

Avoid passing through costs to taxpayers

Electric cost increases, out of the control of a municipal utility:

- **Supply chain inflation (transformers, turbines, etc)**
- **Exponential load growth from data centers and electrification**
- **Trickle down from misaligned investor-owned utility incentives**

Figure 2. Inflation rate vs. rate of change in residential electricity prices



Source: Federal Reserve, EIA

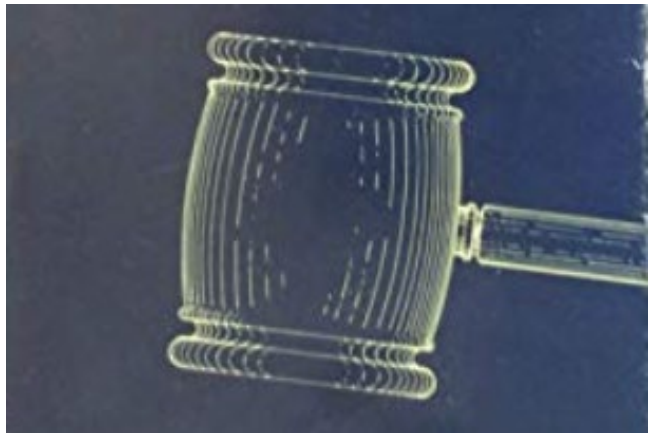
Why Apply for Grants?

Fund projects that might not pass regulatory process

- **Adding redundancy for a small remote community that adds significant reliability and resilience challenges**

- **Demand response, or grid-enhancing technologies or training/hiring outside of typical scope**

- **Ounce of prevention is a pound of cure: avoiding cost is not always factored in**



Challenges and Advantages

Grant administration as a municipal utility

Challenge: Limited Staffing

- Already “wearing lots of hats”
- Grants add extra work in the form of application, compliance, reporting
- **Recommendation,** designate:
  - Project Manager, lead on:
    - Application, external communication, organization, reporting.
  - Technical Lead:
    - Engineering details, liaison to procurement and operations.

Have these roles in place from the beginning of application development

Advantages:

- Already following Virginia Public Procurement Act
- Built in trust/transparency of being part of a public body
- Another department likely has experience with federal grants even if yours does not
- *40101(d) specific*: utilities selling less than 4,000,000 MWh/year have lower cost share
- “Force Account” – If on-site work is done by in-house employees, Davis-Bacon rules do not apply.

Grant Support: Beneficial Electrification League

- If you feel your organization is understaffed/ underprepared:
  - BEL offers free federal grant support for cooperative and municipal utilities
- Based in Virginia, founded in 2018 as a national 501(c)(3) nonprofit organization
- Staff has experience working on federal and recipient side of grant management for energy programs
  - Specific experience with 40101(d)

Website: be-league.org

Email: info@be-league.org

Grant Application

Demonstrate need, bankability, presentation

Demonstrate Need

- Why does this project need grant support?

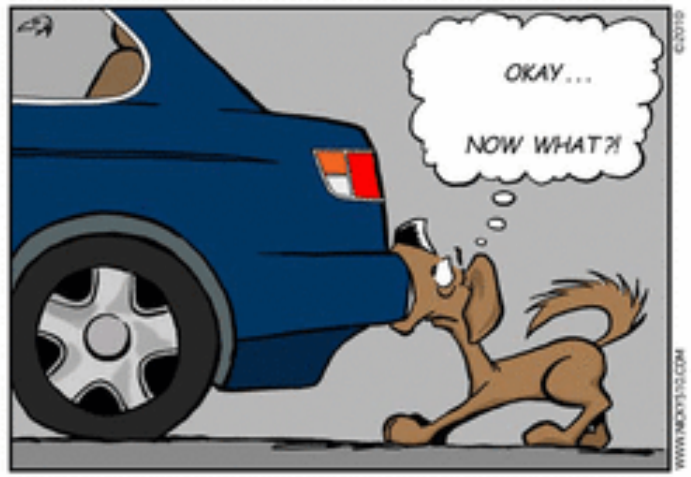
Bankability

- How well is this project matched to the goals of the purpose of the federal grant, and the grant application guidance?

Presentation

- Ultimately, project should come from internal understanding of your pressing needs
  - Sense of narrative, “newsworthiness”, never hurt
- Snappy title/acronym make project more memorable but also easier to communicate about

Avoid “dog catching the car” syndrome



Due diligence to avoid getting stuck

- Be sure to fully read application guidance, federal and state terms and conditions.
  - If you don’t see Terms and Conditions in application guidance, ask for them
- Fully understanding responsibilities, compliance, reporting will help you avoid pitfalls and submit a quality application

Budgeting

Key Concepts

- **In the case of budget overrun, costs will have to be picked up by your organization**
  - Make sure cost estimates are accurate and organization has ability to absorb potential additional costs due to inflation, etc
- **Federal government: pre-award costs (prior to fully executed contract/period of performance) costs are not reimbursable.**
  - In the same vein if projects are started before period of performance they are no longer reimbursable

Is the juice worth the squeeze?

- **Budgeting for administrative work and fringe**
  - Balancing a “lean” application versus adequate compensation
- **Baseline of work on a per project basis**
  - Administration, invoicing, reporting, etc
  - Bigger project that can be scaled back rather than breaking projects up

Federal Grant Compliance: Disclaimer

- Lessons learned from experience with federal grants from Virginia Energy staff
- Always consult with CFR, internal legal counsel

The information provided in this presentation is for general informational and educational purposes only. While we make every effort to ensure the accuracy of the content, no representations or warranties are made regarding the completeness, accuracy, or reliability of this information. Reliance on any information provided in this presentation is strictly at your own risk.

Terminology

Recipient versus Subrecipient

Recipient

- Organization that is directly receiving funds from the federal government
  - In the case of VGRIP: Virginia Energy
- "Awardee"

Subrecipient

- Organization that is receiving funds for specific projects funded under award
  - In the case of VGRIP: generally an investor owned, municipal or cooperative utility
- "Sub-awardee"

"Flow Down"

- All responsibilities of compliance "flow down" from federal authority all the way down to sub-contractors of subrecipient
- Subrecipients are not just "contractors", share responsibility of administration with state, federal government

Common Concerns: BABA

- Iron and steel: must be entirely manufactured in the USA
- All manufactured products used in the project are produced in the United States
  - 55% of total cost of the components of the manufactured product must be mined, produced or manufactured in the USA
- Construction materials must be entirely manufactured in the United States.

Key Takeaways

- Majority of BABA responsibility falls on vendor
  - They ultimately supply certification
- *BABA goods will be more expensive in many cases*
  - Contact vendors during application development to get sense of pricing
- Do not rely on a project specific BABA waiver
  - They are not moving through at this time

Common Concerns: Davis-Bacon and Related Acts (DBRA)

DBRA

- Prevailing wages: all on-site laborers must be paid, at minimum, the regional prevailing wage for that position, as per SAM.gov
  - Does not generally apply to engineering, planning work
  - *If work is completed by municipal utility staff, DBRA rules do not need to be followed*
- Wages **must be paid weekly**
- Applies to all contractors and sub-contractors
- Weekly payroll must be submitted through LCPtracker.com, official website for DBRA compliance

Key Takeaways

- **Most issues are not with prevailing wage but with weekly pay**. *Some tips from US DOE:*
  - **Modify payroll frequency in an existing payroll software/system**
  - **Utilize a supplementary system**
    - i.e. Primepay, Onpay, Miter, Payroll4Construction, eBacon, eMars, ADP or Paychex (not an endorsement)
  - **Issue Cash/Check advances**

Common Concerns: Internal Controls

Internal Controls

- Checks and Balances
  - **Separation of Duties:** No one person controls full transaction cycle
  - **Designated grant official/project manager:** the buck stops here

Best practices

- Organizational chart with designations for grant management, who approves spending, who submits reports.
  - Keep this in grant file
- Keep SAM.gov account and other certifications up to date

We are in this together!

Everyone involved, from federal level down, has a vested interest in seeing these projects succeed.

- Projects only fail when recipients or subrecipients fail to ask for help
- State and municipal employees work in service of the public
- With transparency, communication and patience we can make these projects happen!

Where to Find Out About Grant Opportunities

- https://grants.gov/
  - Allows you to “save searches” that will notify you when relevant grants are available
- Virginia Department of Energy Newsletter
- Virginia Department of Environmental Quality newsletters
- Appalachian Regional Commission newsletter
- National Association of State Energy Officials (NASEO)- Electricity Committee Newsletter
- USDA- Office of Partnerships and Public Engagement Newsletter

THANK YOU.
ANY QUESTIONS?

VGRIP Principal Investigator:
Brandi Frazier Bestpitch
Managing Director, State Energy Office
Virginia Department of Energy
804-489-1449
Brandi.FrazierBestpitch@energy.virginia.gov

VGRIP Program Manager:
Jesse Wilson
Virginia Department of Energy
804-970-0764
jesse.wilson@energy.virginia.gov

FOLLOW VIRGINIA ENERGY ON SOCIAL

VIRGINIA Energy

October 15th, 2026