

# NC Department of Environmental Quality State Energy Office

## 40101(d) RFP Questions and Answers

Please refer to the dates (left column of the table) to see the latest posted questions and answers. Submit questions to [seo.team@deq.nc.gov](mailto:seo.team@deq.nc.gov). NC State Energy Office staff cannot answer RFP-related questions via calls or meetings.

<b>USE OF OTHER FUNDING/PART OF LARGER PROJECT</b>		
5/18/2026	Question: Is it permitted to pursue other State and Federal grid resiliency grants simultaneously with the POWER Up opportunity?	Answer: In most cases, yes. Projects must have separate scopes that address different resilience measures.
5/18/2026	Question: If project is part of a broader project, how do Applicants account for federal portion of the funds and separate out the scope?	<p>Answer: Federally funded projects should provide standalone benefits to the grid. Awards under this program should not be contingent on the successful execution of other projects being funded through other sources.</p> <p>When a subaward is part of a larger project, recipients should distinguish between (a) the 40101(d) funded portion of the scope and (b) the broader project in the subaward/project notification template. For example, a project that seeks to use 40101(d) funding to underground 5 miles of power lines as part of a 30-mile undergrounding effort should distinguish between the 40101(d) scope (5 miles) and the broader project (25 miles). The proposal should explain how the project will benefit targeted communities on its own and as part of the broader project.</p>
5/20/2026	Question: How should applicants treat projects already partially funded (stacking funds)?	Answer: Projects that are partially funded, but not started, can apply this funding to the cost match. Please see page

		<p>5 of the RFP for guidelines on the use of the cost match. Total project costs will include the cost match/funding already secured + the Federal funds.</p> <p>Federally funded projects should provide standalone benefits to the grid. Awards under this program should not be contingent on the successful execution of other projects being funded through other sources.</p> <p>When the 40101(d) award is part of a larger project, recipients should distinguish between (a) the 40101(d) funded portion of the scope and (b) the broader project in the subaward/project notification template. For example, a project that seeks to use 40101(d) funding to underground 5 miles of power lines as part of a 30-mile undergrounding effort should distinguish between the 40101(d) scope (5 miles) and the broader project (25 miles). The proposal should explain how the project will benefit targeted communities on its own and as part of the broader project.</p>
<b>RFP CORRECTIONS, MODIFICATIONS, ADDENDA</b>		
5/21/2026	Question: Can you clarify the due date of the proposal?	Answer: There was an error in the initial RFP that was uploaded to the RFP website listing, in one place, that the due date was July 1, 2026. <b>THIS IS AN ERROR. The correct due date for the application is Friday June 26, 2026 at 12 noon. The corrected version is now posted on the webpage.</b>
<b>COST MATCH</b>		
5/18/2026	Question: Is it required to verify the cost match for submission of the Full Application? Can a resolution	Answer: A Cost Match Commitment Letter is required from your organization, or any other organization that will provide all or part of the cost match requirement. Please

	<p>adopted by Applicant's City Council showing a cost match commitment for the project suffice?</p>	<p>see page 10 of the RFP for details about what to include in the Cost Match Commitment Letter. All sources of cost share are considered part of the total project cost, and the commitment to provide the cost match is binding and part of the signed contract between NCDEQ/SEO and your entity.</p> <p>Though there is no need to provide verification of the cost match as part of this proposal, the cost match should be verifiable from sub awardee's records, should that request be made by the Program Manager. See page 5 of the RFP for additional information on the cost match.</p>
<p>5/22/2026</p>	<p>Question: Are we required to spend the cost match before we can start spending the Federal award?</p>	<p>Answer: No – that is not required. NCSEO anticipates that the cost match will be spent throughout the project according to the approved budget and workplan.</p>
<p>6/1/2026</p>	<p>Question: Section II.B. notes "5) A strategy for replacing the funds if they are significantly reduced or lost." If possible, please provide one or more examples.</p>	<p>Answer: One example would be if your organization uses a cost match provided by a third party, and the third party decreases the level of support or pulls out of the project. In this situation, we ask what your entity would do to address this. Some options could include accessing additional cash through general, discretionary or revolving funds.</p> <p>Another example is if your entity commits funds that are not allowable for the project. This might be due to incorrectly using Federal funds as part of the match, or not correctly valuing an in-kind match.</p> <p>The cost match must be reasonable, allowable, allocable and necessary for the performance of the grant and verifiable from the subgrantee's records.</p>

<p>6/10/2026</p>	<p>Question: An applicant is considering using the time of its paid employees to satisfy the match requirement. Based on the definitions of Cash Cost Match and In Kind Cost Match provided in the Budget Justification workbook (SF 424/Attachment C), it would seem that the Cash Cost Match is the correct way to describe this kind of match. The question is about the sentence "<i>If the item or service is reimbursed for, it is cash cost match.</i>" If the applicant is using paid employee time for match, then by definition those costs would NOT be reimbursed for. They would be expended for the implementation of the project with no reimbursement for the subrecipient.</p> <p>The applicant has considered describing the match as "In Kind." However, this definition is problematic as well. First, "no actual cash is transacted in securing the good or service comprising the contribution" may not be accurate, as employees would continue being paid their regular salaries.</p> <p>Second, what are "volunteer personnel hours?" Can you please provide an example of what constitutes volunteer personnel hours?</p>	<p>Answer: Under the <b>Uniform Guidance</b> rules found in <a href="#">2 CFR 200.306</a>, the primary distinction between a <i>cash cost match</i> and an <i>in-kind cost match</i> is that a cash cost match represents actual funds spent on project-related costs, whereas an in-kind cost match represents the value of non-cash contributions like donated goods, services, or property. Both must meet the same federal cost principles (allowable, allocable, reasonable).</p> <p><b>Cash Cost Share Definition:</b> This encompasses all project contributions made by the recipient or subrecipient(s) where an actual financial cost or payroll obligation is incurred and paid. For example, if an applicant is actively paying the salary and corresponding fringe benefits of the personnel working on the project, it counts as a cash cost share contribution. Cash cost share contributions include, but are not limited to, personnel costs, fringe costs, supply and equipment costs, indirect costs, and other direct costs. The cash value and calculations for all cash cost share items must be justified and explained in the cost share section of the project budget justification.</p> <p><b>In-Kind Cost Share Definition:</b> This encompasses all contributions to the project made by the recipient or subrecipient(s) where actual funds are not spent. This might include the donation of existing equipment, supplies or other items, donated services, or unpaid volunteer time where no financial transaction or payroll payment takes place. Therefore, <b>only unpaid, volunteer labor</b> of non-salaried employees is considered in-kind. An example of</p>
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6/22/26	Question: Can we use equipment in our existing inventory as part of our cost match?	<p>Answer: Maybe. Please review the code of <a href="#">Federal Regulations section 200.306 Cost Sharing</a> for guidance. Please note – any equipment used on the project, even if provided as a cost match – must be BABA compliant.</p>
<b>ELIGIBLE ACTIVITIES &amp; GRID TECHNOLOGIES</b>		
5/18/2026	Question: Can funding be used for the acquisition of land?	<p>Answer: No – the acquisition of land or easements is not allowed with 40101(d).</p>

5/20/2026	Question: Would DOE fund a project proposal that includes land acquisition costs only? The eventual goal would be to build a new substation in future years to serve an industrial site.	Answer: Land acquisitions costs are not eligible for this funding. Further the project will need to impact grid reliability and resilience at its conclusion. As such, funding cannot be used to partially fund a future substation.
5/18/2026	Question: Can grant funds be used for routine generator maintenance and/or weatherization?	Answer: DOE encourages grant recipients to focus on projects that would result in grid resilience benefits that would not be realized absent the grant funding. Projects focused on routine maintenance are discouraged.
5/18/2026	Question: Are AMI Meters and/or SCADA systems eligible?	Answer: Yes, AMI Meters and/or SCADA systems are eligible for funding.
5/18/2026	Question: Are pole inspections and engineering/design costs eligible if they are directly tied to implementation of pole replacement or feeder hardening?	Answer: Yes, these costs are eligible if they are directly tied to the funded project.
5/18/2026	Question: Can AMI, outage detection, or monitoring/control components be included if they are ancillary to a broader grid resilience project rather than the primary project?	Answer: If AMI, fault detection, and advanced monitoring/control equipment can be shown to improve resilience to the grid, they can be included as ancillary or primary components of an eligible project.
5/18/2026	Question: Does replacement of aged underground cable qualify when the resilience benefit is reduced outage risk and improved restoration performance, even if the cable was not damaged by a specific disaster event?	Answer: Yes - replacement of aged underground cable does qualify when the resilience benefit is reduced outage risk and improved restoration performance, even if the cable was not damaged by a specific disaster event. We suggest that you explain the need and provide supporting metrics in the proposal's narrative.
6/1/2026	Question: Is there any limit of how much BESS (Battery Energy Storage System) can be included in	Answer: There is no limit to the capacity of the Battery Energy Storage System (BESS) if it is used for enhancing

	the microgrid for the RFP? Or is there no limit as long as the BESS is used during disruptions?	system adaptive capacity, providing localized backup power and grid support during disruptive events.
6/1/2026	Question: What constitutes a “new electric generation facility”	Answer: New generation facilities are defined as any new electric power plants, including solar, wind, and other primary energy-generating power stations. Under 40101(d) guidelines, grant funds or required cost-matches <b>cannot</b> be used to build brand-new generation infrastructure (like a new solar array).
<b>NUMBER OF APPLICATIONS &amp; COMBINING PROJECTS IN ONE APPLICATION</b>		
5/18/2026	Question: How many projects can we apply for?	Answer: There is no limit to the number of projects an entity can apply for.
<b>SMALL UTILITIES</b>		
5/18/2026	Question: What is the definition of a Small Utility?	Answer: The definition is found on Page 11 of the RFP. A 'Small Utility' does not sell more than 4,000,000 megawatt hours of electricity per year. Check the following site to confirm if your entity is a small utility - <a href="#">2024 Utility Bundled Retail Sales- Total</a>
5/18/2026	Question: As a qualifying small utility, do you require at this stage of the process a copy of our most recent USDOE Energy Information Administration Form EIA-861?	Answer: No – this is not required, but this information will be confirmed during the review process.
<b>DEADLINE EXTENSIONS</b>		
5/18/2026	Question: Is it possible to extend the deadline of the submission by 10 days?	Answer: See information related to extensions on page 12 of the RFP. In general, no extensions are allowed. Under certain circumstances, NCSEO will allow an extension of the application deadline for adversely affected applicants listed in Emergency Declarations and/or Major Disaster Declarations. This will be announced on the NCSEO 40101(d) RFP webpage.
<b>FUNDING</b>		

5/18/2026	Question: Is there a minimum and a maximum funding award during this round of funding? What do you anticipate the average funding amount will be?	Answer: NCSEO expects to award three to five projects in this round of funding, totaling approximately \$8.64 million, with \$4.3 million – or 50% – set aside for small utilities. We expect awards will be in the range of \$500,000 - \$3,000,000. More, or fewer awards may be chosen, however, and we do not have a designated minimum or maximum amount.
5/20/2026	Question: Are there any restrictions on co-ops that have already received prior rounds of DEQ resilience funding?	Answer: Current 40101(d) awardees are not eligible for funding during this round. But entities that received other funding from DEQ are eligible to apply.
<b>GENERAL QUESTIONS - APPLICATION AND SUPPORTING DOCUMENTS</b>		
5/18/2026	Question: Can we include visuals including engineered drawings of the infrastructure proposal as well as recent photos of the hazardous conditions that currently exist? If so, should that be included in the narrative or may we submit as a PDF addendum?	Answer: Yes - up to three Optional Supporting Documents that supplement the proposal are permitted. These can include visuals such as engineered drawings of the infrastructure proposal as well as recent images of hazardous conditions. These are considered separate from the Narrative and will be uploaded as PDF's. Please see pages 10-11 of the RFP for more details of the kinds of supporting documents that are acceptable, and how to name and upload these documents.
5/18/2026	Question: Can we provide Letters of Support for the project from local, state and federal entities?	Answer: Yes, you can provide Letters of Support for the project from local, state and federal entities as Optional Supporting Documents. These will be uploaded separately as individual PDF's. If you have multiple letters of support, you can annotate and summaries these into one Supporting Document that is uploaded as a PDF. Please refer to the supporting document in the project

		narrative. See pages 10-11 of the RFP for more details on Optional Supporting Documents.
5/23/2026	Questions: Are there examples of subawardee packages?	Answer: Not at this time.
5/23/2026	Question: Is this application like the application for the GRIP Grant?	Answer: No – they are two separate applications, although they may contain some similar elements & questions.
6/1/2026	Question: What is the definition of a ‘subrecipient?’	Answer: NCDEQ is the Prime Recipient for the 40101(d) project. The subrecipients are the entities that are awarded the funding. You might also see this role referred to as ‘grantee’ or ‘subawardee.’
6/1/2026	Question: If the applicant/awardee is the considered a ‘subrecipient’, what term would be used to describe potential contractors, consultants, and other roles (like workforce training providers).	Answer: Please refer to other roles by their descriptive name – contractors, consultants, program managers, workforce training providers, etc.
<b>ELIGIBLE ENTITIES</b>		
5/19/2026	Question: Is there a restriction for previously awarded entities?	Answer: Entities previously awarded a 40101(d) grant are not eligible for funding in this round.
<b>NEPA REVIEW PROCESS</b>		
5/19/2026	Question: How detailed must the project locations be for NEPA review if a project includes multiple poles, circuits, or underground cable segments?	<p>Answer: Projects that are awarded funding are required to complete and submit this <a href="#">NEPA Questionnaire</a> with project specifics so the NETL Federal Project Officer can request a NEPA Categorical Exclusion (CX) determination.</p> <ul style="list-style-type: none"> <li>• Note 1: Adequate map(s) need to be provided along with the EQ; Google Earth is recommended to provide sufficient detail for project location(s).</li> <li>• Note 2: The DOE NEPA compliance team may require a permission letter from an appropriate agency overseeing proposed work on any national/state park or historic district lands. Access letters may be requested from the US Forest</li> </ul>

		Service, State Parks Department, State Historic Preservation Officer (SHPO), Tribe's THPO, etc. For more information on these requirements, please refer to the <a href="#">National Energy Technology Laboratory website</a>
5/23/2026	Question: For the Environmental Review, will there be an onerous environmental review process if we are not disturbing the ground and just changing overhead infrastructure?	Answer: NCSEO does not make those determinations.
<b>QUESTIONS ABOUT THE BUDGET &amp; JUSTIFICATION</b>		
5/20/2026	Question: Are indirect expenses allowed to be added to the budget requests?	Answer: Yes – indirect expenses are allowed to be added to the budget request.
6/3/2026	Question: The Budget Justification workbook includes references to SOPO task numbers (requesting that they are included for each line item), presumably meaning Statement of Project Objectives. Yet I couldn't find any other references to a Statement of Project Objectives or SOPO outside of the budget document. Questions: 1. Is a Statement of Project Objectives (SOPO) required for this POWER Up grant application? 2. Should task numbers appear in the required workplan table? 3. Should task numbers be included in the narrative sections?	Answer: You are correct, we do not reference – in the proposal guidelines – the need for including a Statement of Project Objectives (SOPO) in the grant application.  This means that SOPO Task Numbers are not required for the narrative or budget, and do not need to be linked in the narrative.  However, if you believe including this information would clarify or strengthen your work plan, budget, and/or narrative, please feel free to include this information.
6/22/2026	Question: Do we have to provide vendor quotes for all equipment Budget and Justification?	Answer: No – vendor quotes are not necessary to submit. However, you must provide a basis of cost (e.g. vendor quotes, catalog prices, prior invoices, etc.) for each piece of equipment, attaching information where possible. If it is existing equipment, provide a logical justification for the estimated value shown. If a vendor quote or catalog price

		is not practical, such as for a piece of equipment that is purpose-built, first of its kind, or otherwise not available off the shelf, provide a detailed engineering estimate for how the cost estimate was derived.
<b>BABA COMPLIANCE</b>		
5/23/2026	Question: Are BABA waivers taking a lot of time for first round projects.	<p>Answer: There are several types of BABA waivers. The Small Parts and De Minimus waivers are being approved quickly (1-2 weeks). Other waivers – such as Non-Availability Waivers – are taking longer.</p> <p>The role of NCSEO is to support subawardees in submitting the waivers. DOE will approve them.</p> <p>We suggest that you review information on BABA waivers <a href="#">on the DOE website</a>. Here, you can also review PDF's of the waiver submissions and waivers that have been approved.</p>
6/22/26	Question: If equipment from our inventory is used as a cost match, does it have to be BABA compliant? Does equipment purchased with the Cost Match have to be BABA Compliant.	<p>Answer: Under the Bipartisan Infrastructure Law (BIL) Section 40101(d), federally funded infrastructure grants mandate strict Build America, Buy America (BABA) compliance for eligible equipment and construction materials. For donated equipment or in-kind matches, BABA requirements generally apply to the entire project scope—including matching funds—meaning donated equipment must be BABA-compliant or backed by an approved waiver.</p>