

ADMINISTRATIVE AND LEGAL REQUIREMENTS DOCUMENT (ALRD)

DE-FOA-0003109

Inflation Reduction Act (IRA): Mitigating Emissions from Marginal Conventional Wells

Frequently Asked Questions (FAQs)

----- START BATCH 3 -----

Question 63: It seems that a subscription to obtain the Enverus data utilized in Appendix A is expensive. Is there any other way to get the data related to those wells such as American Petroleum Institute (API) #'s, well names, latitude and longitudes, etc.?

Answer 63: Enverus data was collected from individual State records and as such, the well data should be available to the State. The data was used to set the allocation formula set forth in Appendix A of the ALRD. The specific wells eligible to be plugged within this program are not limited to those listed within the Enverus data set but must meet the definition of a MCW set forth in the ALRD.

Question 64: Does a State have a right to provide, and then utilize, updated information against the data listed in Appendix A of the ALRD? Or must the data in Appendix A be utilized?

Answer 64: The Appendix A – State Formula Allocation List utilized data to estimate the number of MCWs per State and assist in the formula and allocation methodology. The MCW well count will not be altered, for the purposes of this ALRD, based on potential concerns or disputes in the data. However, through the Statement of Project Objectives (Appendix B), a State will develop a process and methodology to identify and prioritize MCWs for plugging, measure methane emissions, and support elements of environmental restoration required for full compliance with applicable State or Federal well plugging and abandonment standards and regulations. This well prioritization may incorporate updated information on MCWs in a State. The specific wells eligible to be plugged within this program are not limited to those included in the data of Appendix A but must meet the definition of a MCW set forth in the ALRD.

Question 65: Per Appendix A, what is the likelihood of an increase in an allocation towards a State?

Answer 65: If ALL eligible States choose to apply, the allocations are final related to this ALRD. Allocations may be adjusted by the number of States applying to participate in the program. If eligible States choose not to participate, funds will be reallocated to participating States based on the same formula identified on the Allocation list with non-participating State(s) removed.

Question 66: For potential, future ALRD's, are the allocations known? If so, can they be provided?

Answer 66: Information regarding potential future funding opportunities cannot be provided at this time.

Question 67: Is a State required to do all 3 of the following activities or may a State pick and choose?

- permanently plugging MCWs located on non-Federal lands;
- measuring methane emissions associated with MCWs; and
- administering the Statement of Project Objectives (SOP) identified in the grant agreement in accordance with all applicable State and Federal standards and regulations.

If all 3, and a State has a low allocation amount that may not cover all 3 activities, what should a State do?

Answer 67: If a State chooses to apply, a State must address all objectives outlined in the ALRD. The SOP will be included as an Attachment to the Award which defines the activities through which the States are expected to meet, utilizing the allocation provided under the ALRD. It is the responsibility of the State to budget their allocation to address all objectives outlined in the ALRD.

Question 68: Due to the unknown nature of the grant subrecipients, are we able to list, in general, the grant program in either the Contractual or Other tab (please advise)?

Answer 68: An Applicant should make best efforts towards providing allowable, allocable, and reasonable estimates towards all budget categories. Regarding contractual costs, it is understood that at the time of Application, the Entities, and specific activities to be conducted by the entities, are likely "TBD", however, an Applicant shall provide a best estimate (through use of available historical data or reasonable engineering estimates for activities similar to those anticipated) towards associated costs with "TBD" entities and activities.

Question 69: Are operators of eligible wells who apply and are approved for a reimbursement grant considered "Sub-recipients" of the MERP funds and as such must then provide at a later date a Budget Justification for all costs with their proposed budget exceed either \$100,000 or 25% of total award costs?

Answer 69: Operators can be considered either a Subrecipient or a Subcontractor (Vendor) depending on the contractual arrangement of the respective State. Per ALRD, if a subrecipient is known at the time of application and the proposed budget is in excess of \$250,000 (not \$100,000) or 25% of the total work effort, a budget justification must be submitted.

Question 70: The ALRD states, “Applicants must provide a separate budget justification for each subrecipient that is expected to perform work estimated to be more than \$250,000 or 25 percent of the total work effort, if that amount is less than \$250,000 (whichever is less). The FOA Budget Justification spreadsheet states, “Subrecipients shall submit a Budget Justification describing all project costs and calculations when their total proposed budget exceeds either (1) \$100,000 or (2) 25% of total award costs.” As shown, the amounts differ from \$100,000 and \$250,000. Please clarify the discrepancy.

Answer 70: DOE recognizes the discrepancy. For the sake of this ALRD, the ALRD language is the binding requirement. Therefore, Applicants must provide a separate budget justification for each subrecipient that is expected to perform work estimated to be more than \$250,000 or 25 percent of the total work effort, if that amount is less than \$250,000 (whichever is less).

Question 71: Could the State contract with a subrecipient to manage the grant funds to remove the burden from the State of having conduct this work. This type of arrangement would require the subrecipient to complete all requirements of the SOPO, ALRD, and grant award conditions on behalf of the State. This subrecipient could manage/prioritize the well plugging list, subcontract the emissions measurements, subcontract to operators for the plugging of the wells, ensure compliance with all plans/conditions such as Community Benefits Plan, Justice40, etc. and conduct the creation and updating of the public website. The ALRD indicates the Prime Recipient (State) would be required to do all of these tasks, but could the State contract with a sub-recipient to complete these tasks?

Answer 71: The ALRD does not preclude a State from contracting with a subrecipient to manage the grant funds but a State must consider the 10% administrative cap in the ALRD, of which the subrecipient’s administrative costs will fall under the totality of the administrative cap. Additionally, the State remains responsible for meeting all the requirements of the Agreement.

Question 72: Who should the Head of Government Letter be addressed to?

Answer 72: An Applicant may address the Head of Government Letter to the DOE ALRD Team, only. It shall be submitted with the application in the following manner:

[INSERT GOVERNOR/AUTHORIZED REPRESENTATIVE LETTERHEAD]

[DATE]

ATTENTION: ALRD (DE-FOA-0003109) Team

SUBJECT: Head of Government Letter

Dear DOE ALRD Team:

“As the Governor of [State], I submit this letter in support of the [State’s] application for consideration of funding pursuant to the subject ALRD, titled, “Administrative and Legal Requirements Document (ALRD): Inflation Reduction Act (IRA) – Mitigating Emissions from Marginal Conventional Wells”.

Per Section III. of the ALRD, the [State/Agency/Instrumentality] will serve as the sole entity in [State] to apply as the Prime Applicant in response to the subject ALRD. The Point of Contact for the Governor's Office of [State] is [name/email/phone number]. The Point of Contact for the [State/Agency/Instrumentality] is [name/email/phone number]."

Sincerely,

[SIGNATURE]

[NAME]

[TITLE]

----- **END BATCH 3** -----