

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 4 -----

Question 73: Under this ALRD, will marginal well heads be considered “infrastructure” and therefore, required to comply with the Buy America Act? Per “Buy America Requirements for Infrastructure Projects” and definition of “infrastructure” in Appendix D, it is unclear whether the oil and gas at the well heads count as "energy" and therefore must comply.

Answer 73: Given the nature of the objectives, the purchase of new wellheads is *not allowable* under the ALRD as the purpose is to permanently plug the MCWs.

Question 74: For this ALRD, are Tribes considered a foreign government or a domestic government?

Answer 74: Per ALRD, tribes and the associated land/marginal conventional well (MCW) are not considered a foreign government nor foreign work if they exist within a territory of the United States (U.S.).

Question 75: Within Appendix B – Federal Government Generated SOPO (Template), specifically Subtask 4.1, states that, “The Recipient will allocate funds to operators/well owners for methane measurements/monitoring at Marginal Conventional Wells (MCWs)”. Does this mean that a Recipient (State) is required to flow methane measurement/monitoring funds directly to operators/well owners, which means the Recipient (State) cannot do the measurements/monitoring itself, nor can hire a Subcontractor who specializes in measurement/monitoring to fulfill this role?

Answer 75: It is the State’s responsibility to make the determination to perform the measurements/monitoring itself or hire a third-party. It is the responsibility of the State to decide whether a contractual arrangement is either a Subrecipient or Subcontractor (Vendor). If a State decides to perform the measurements itself, these cost will not fall under the administrative costs.

Additionally, should a State decide to perform the measurements itself, a previous response provided that, “methane emissions measurements should be collected in the most cost-efficient manner. The purchase of gas monitoring equipment to conduct methane emissions measurements is not the intent of this ALRD, but this may be done if it can be demonstrated to be more cost effective than subcontracting the measurement work required to comply with requirements of the ALRD. The State will need to request disposition instructions at the end of the award where DOE will most likely authorize continued use of any equipment over the FMV of \$5K.”

----- END BATCH 4 -----