Natural Gas Distribution Infrastructure Safety and Modernization Grants Webinar Series



Best Practices for Submitting a Grant Application



Topics

- Status of FY2022 and FY2023 Programs
- New for FY2023
- Eligibility and Purpose
- Formatting
- Project and Budget Narrative Best Practices
- Indirect Costs
- Common Errors
- Eligible, Ineligible and Out of Scope Project Examples



Status of FY2022 and FY2023 Programs

- FY 2022 Awards were announced in April 2023. 37 entities were selected to receive nearly $196M. Responses to pre-award authority letters are currently being drafted.

- Requests for debriefs on FY 2022 applications are being collected by email and the program office will reach out to schedule a date/time.

- Next webinar to be announced.

- The FY 2023 NOFO is expected to be published later this month.



New for FY2023

- Doubles the funding from $196M to $392M utilizing FY 2023 and FY 2024 funding.
- References the intent to fully fund as many highly rated projects as possible (statutory cap of $125M per applicant).
- Prioritizes older pipeline distribution systems actively leaking methane, which will take precedence over pipeline systems that are prone to leaking or anticipating leaking in the future.
- Implements lessons learned from the FY 2022 NOFO by adding clarifying language.



New for FY2023, continued

- Updates the technical and programmatic evaluation questions to better align with the needs of the NGDISM program to ensure funding is provided to projects most in need.
- Provides examples of eligible and ineligible projects.
- Requests applicants to rank their projects in order of priority/need.
- Clarifies that an environmental assessment is not an application requirement.
- Informs applicants that contingency costs, if applicable, may not exceed 10 percent.



Eligibility and Purpose

Eligibility: Available to municipality or community-owned utilities (not including for-profit entities).

Purpose: To repair, rehabilitate, or replace high-risk, leak prone natural gas distribution pipelines, or to acquire equipment to:

1) Reduce natural gas pipeline incidents and fatalities
2) Avoid economic loss from leaks



Formatting

- Prepare the Project Narrative with standard formatting preferences.
  - Single-spaced document.
  - Use a standard 12-point font (i.e., Times New Roman).
  - One inch margins.
  - Text in one column only.

- The Project Narrative may not exceed 25 pages in length (excluding cover pages, table of contents, and supporting documents).

- Applicants may submit *supporting* documents via website links.



Formatting, continued

- Ensure any provided website links are currently active, accessible, and working.
- Use appropriate descriptive file names (e.g., “Project Narrative,” “Maps,” “Letters of Support”).
- Project Narrative pages beyond the 25-page limitation, non-working weblinks, and/or unreadable files will not be considered or reviewed.



Formatting, continued

Acceptable Electronic File/Attachments Formats:

- Word
- Excel
- PowerPoint
- Adobe
- Picture/image (GIF, JPEG, PNG)

Other file formats will not be considered during the application review(s).



Best Practices - Project Narrative

- Rank projects in order of priority.
- Provide detailed information regarding your project from start to finish.
  - Example: “This project would replace 4.3 miles of cast iron pipe, that has been part of the system since 1902, with 2-inch polyethylene pipe, in southwestern Pipetown, VA. The pipe will be directionally drilled beneath the existing pipe. An engineering firm has been obtained...”
- Thoroughly discuss the challenges with your system and the benefits of the proposed project(s).
- If possible, when submitting the project narrative, make sure the document is searchable.



Best Practices - Project Narrative, continued

Be detailed in the information provided.

- Is the pipe currently leaking?
- Have there been past incidents on the line?
- Include the type of pipe to be replaced.
- Include supporting information from your Distribution Integrity Management Plan (DIMP/Gas Distribution Annual Report (GDAR).
- Include photographs or diagrams of project locations.
- Notate miles of pipe rather than linear feet
- Include information regarding access to or use of the right-of-way needed for the project, if applicable.



Best Practices - Budget Narrative

Completing the Budget Information Forms SF-424A versus SF-424C

- Equipment-only applications not involving construction must use the SF-424A - Budget Information - Non-Construction Programs.

- Construction applications, with or without equipment, must use the SF-424C - Budget Information for Construction Programs.



Best Practices - Budget Narrative, continued

- Ensure all categories on the SF-424A or SF-424C are broken out in the budget narrative.
- Provide detailed cost information for each line item on the SF-424A or SF-424C budget form.
- Explain how costs are calculated (per project if submitting several). Show your work!
- The cost benefits of purchasing versus leasing equipment should be explained, if applicable.



Best Practices – Budget Narrative, continued

- Provide quotes for materials and equipment purchases.
- Round all costs to the nearest dollar.
- Contingency costs should not exceed 10 percent.



Indirect Costs

- Indirect costs are costs that are not readily chargeable to a particular program or function, but benefit all programs and functions operated by the non-Federal entity. Some examples are:
  - depreciation on buildings and equipment,
  - the costs of operating and maintaining facilities, or
  - general administration and expenses.

- Generally, these kinds of costs are identified, pooled, and charged against individual programs or funding sources using a rate designed to recover the costs.



Indirect Costs, continued

- Applicants may use an existing Indirect Cost Rate (ICR) that has been negotiated with PHMSA, or utilize the 10% *de minimis* rate.
- Once elected, the 10% *de minimis* rate must be used consistently for all Federal awards received by the non-Federal entity.
- If applicants choose to claim indirect costs, they must be calculated using the Modified Total Direct Cost (MTDC).
- The MTDC is defined in the Code of Federal Regulations (CFR) at 2 CFR 200.1.



Common Errors

- Not following NOFO requirements; skipping sections.
- Using only one contact name on the SF-424 Application for Federal Assistance
- Discrepancies between the GDAR and the application.
- Engineering reports used in lieu of a project narrative.
- Not including photos, maps, diagrams, reports, or narratives to support the project benefits or system challenges.
- Including NEPA and 106 review information in the application.



Eligible Project Examples

- A proposal to replace leak prone, faulty, and/or inoperable valves and appurtenances throughout the natural gas system.
- A proposal to acquire handheld laser leak detection devices.
- A proposal to replace several miles of cast iron natural gas pipeline mains and unprotected bare steel services with polyethylene pipe and services.



Ineligible Project Examples

- Applications for reimbursement of projects completed prior to the NOFO being issued are ineligible for funding.
- Applications submitted on behalf of other entities are ineligible for funding.
- Applications to acquire equipment to be used post project are ineligible for funding.



Out of Scope Project Examples

- Projects installing new distribution systems are out of scope of the NDGISM grant program.
- Projects related to transmission lines are out of scope of the NDGISM grant program.
- Projects extending existing distribution services are out of scope of the NDGISM grant program.



PHMSA's Ongoing Technical Assistance Commitment

PHMSA is committed to providing technical assistance to applicants throughout the grant application process. Below are some of the dedicated initiatives to help applicants:

1. Prompt updates to the FAQ document on grants.gov and PHMSA's NGDISM website.

2. Direct technical assistance to applicants for the Environmental Review and Title VI/Environmental Justice process.

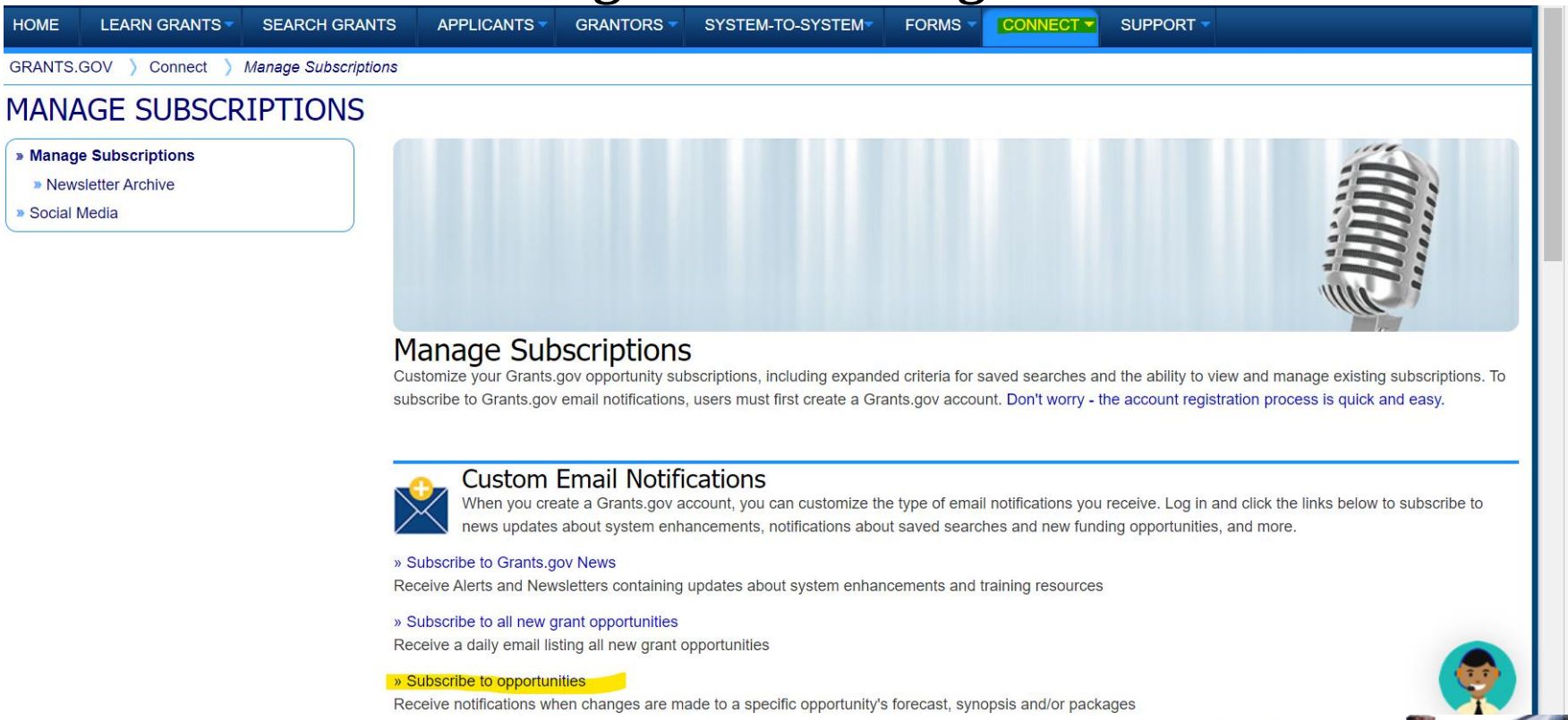
3. Informational webinars for applicants.



Grants.gov Alerts

Sign up for Grants.gov alerts to be notified when the FY2023 NOFO publishes.

Navigate to Grants.gov





Grants.gov Alerts, continued

Enter the program CFDA number.

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BASIC SEARCH CRITERIA:

Keyword(s):

Opportunity Number:

CFDA: 20.708

OPPORTUNITY STATUS:

- [x] Forecasted
- [x] Posted

FUNDING INSTRUMENT TYPE:

- [x] All Funding Instruments

CATEGORY:

- [x] All Categories
- [ ] Affordable Care Act
- [ ] Agriculture
- [ ] Arts (see 'Cultural Affairs' in CFDA)
- [ ] Business and Commerce
- [ ] Community Development
- [ ] Consumer Protection
- [ ] Disaster Prevention and Relief
- [ ] Education
- [ ] Employment, Labor and Training
- [ ] Energy

AGENCY:

- [x] All Agencies
- [ ] All Advanced Research Projects Agency for Health [ARPAH]
- [ ] All Agency for International Development [USAID]
- [ ] All AmeriCorps [AC]
- [ ] All Appalachian Regional Commission [ACR]
- [ ] All Broadcasting Board of Governors [BBG]
- [ ] All Bureau of Reclamation - South Central CA Area Ofc [SCC800]
- [ ] All Christopher Columbus Fellowship Foundation [CCFF]



Grants.gov Alerts, continued

Please contact Grants.gov helpdesk for support
Available 24 hours a day 7 days a week excluding federal holidays.
1-800-518-4726 (U.S.)
1-606-545-5035 (International)
support@grants.gov



Contact Information

Please email your questions to:
PHMSAPipelineBILGrant@dot.gov

Next webinar to be announced.

Web: https://www.phmsa.dot.gov/about-phmsa/working-phmsa/grants/pipeline/natural-gas-distribution-infrastructure-safety-and-modernization-grants

