

# Natural Gas Distribution Infrastructure Safety and Modernization Grant Program



## FY 2024 NOTICE OF FUNDING OPPORTUNITY WEBINAR May 7, 2024



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

PHMSA: Your Safety is Our Mission



# Webinar Overview

Today, we will discuss:

1. FY 2023 Program Updates
2. How to Apply
3. Key NOFO Changes
4. Eligibility of Projects
5. New NOFO Checklist
6. Common Application Mistakes



# FY 2023 Program Updates

1. FY 2023 Status Letters for applicants who have received funding for at least one project are still in the process of being distributed.
2. The FY 2024 NOFO is still pending final approval. PHMSA anticipates that the NOFO will be released some time this week.
3. Roadshow events for those selected to receive an award is still ongoing. Not all recipients will receive a media invited event. If you have not been contacted to participate in an event, please be patient and we will reach out to you to schedule an event over the next two months.



# Applying for a Grant



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# Required Registration: Sam.gov

## Register with SAM.GOV

- **Unique Entity Identifier (UEI).** New entities can get their Unique Entity ID at [www.SAM.gov](http://www.SAM.gov) and, if required, complete an entity registration. Registration information must be confirmed each year for registration to remain valid.
- **Designate a point of contact (SAM POC).** This person is responsible for maintaining the accuracy and timeliness of the information in SAM's registry. Upon a successful registration, the SAM POC will receive a PIN Number that will enable you to update your organization's SAM information, as necessary.

## SAM Customer Service:

Federal Service Desk URL: [www.fsd.gov](http://www.fsd.gov)

Hours: 8am – 8pm (Eastern) Phone: 866-606-8220



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# Required Registration Grants.gov

## Register with GRANTS.GOV

- New users will go to [www.grants.gov](http://www.grants.gov) and select “Register.” New user registrations can take up to two weeks to complete the approval process.
- Add an organization applicant profile to begin application process.

**FY 2024 Notice of Funding Opportunity is located on**  
[www.Grants.gov](http://www.Grants.gov)

## Search By

- Opportunity Number: 693JK323NF0014
- Grant Program: NGDISM
- CFDA: 20.708





# Required Registration: Technical Support

Grants.gov Support Desk

Phone: 1-800-518-4726 (U.S.)

Email: [support@grants.gov](mailto:support@grants.gov)

SAM.gov Federal Service Desk

Phone: 866-606-8220

Create a ticket: [https://www.fsd.gov/gsafsd\\_sp](https://www.fsd.gov/gsafsd_sp)

FedConnect

Phone: 1-800-899-6665, option 2

Email: [fcsupport@unisonglobal.com](mailto:fcsupport@unisonglobal.com)



# Eligibility, Eligible Projects & NOFO Updates



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# Eligibility and Purpose

**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

**Eligibility:** Municipality-owned utilities, community-owned utilities, or Federally recognized tribal governments owning and operating a natural gas distribution system. Not Eligible: For-profit entities or any pipeline asset(s) owned by a for-profit entity.



# FY 2024 NOFO Updates

- The FY 2024 NOFO makes \$196M available for award.
- Projects should be bundled as much as possible. Breaking down projects by streets is unnecessary.
- Projects should be numerically ranked in the order of priority
- Two maps available for identifying both transportation disadvantaged communities and underserved communities.



# Examples of Eligible Projects

**Construction Project:** A proposal to replace 5 miles of actively leaking cast-iron pipe. Note: Equipment necessary to complete the project should be included in the project budget.

**Equipment Only Project:** A proposal to acquire handheld laser leak detection devices.

**Miscellaneous Project (projects with no miles associated):** A proposal to replace an obsolete regulator station.



# Examples of Low Priority Projects

- A proposal to replace pipe where no notable safety issue is present with references to the infrastructure *potentially* leaking in the future.
- A proposal to install high-cost advanced metering infrastructure
- A proposal to acquire construction equipment without an associated construction project.



# Examples of Out-of-Scope Projects

- A proposal to relocate pipe solely due to another construction project without a primary safety concern.
- A proposal to conduct a system-wide risk assessment.
- A proposal to repair or replace a transmission line.



# FY 2024 NOFO Checklist

- ☐ Cover Letter
- ☐ Project Summary
- ☐ Detailed Project Description
- ☐ Project Prioritization Table
- ☐ Projected Outputs and Objectives
- ☐ Budget Narrative
- ☐ Underserved Communities
- ☐ Key Documents for the Technical Evaluation Panel
- ☐ Standard Forms
- ☐ Required Statements



# Cover Letter

- ❑ Does the letter include the natural gas system's name, key organizational and capacity information, and sufficient contact information for the project representative and the authorized representative?
  - It is important for entities to identify a programmatic point of contact.
  - If using a grant writer, information about the grant writer is not necessary unless that entity will be supporting the administrative tasks of the grant.





# Project Summary

- ❑ Does the application include a project summary that provides a high-level overview of project(s)?
  - Applicants should bundle projects to the greatest extent possible. It is unnecessary to breakdown projects by street names if located in the same general area.
  - The project summaries should be no more than 2-3 sentences per project. More detailed information will be captured in the Detailed Project Description Section and the Project Prioritization Table.



# Project Prioritization Table

Priority Number	Project Type	Project Name	Existing Pipe Material (if applicable)	Miles Replaced	Age	Estimated Reduction in Annual Methane Emissions (kg/year) <sup>4</sup>	Estimated number of jobs (if applicable)	Total Project Cost (all costs must equal the federal funding requested in the SF-424)
1	Construction	Southeast Cast-Iron Replacement Project	Cast-iron	9.0	1920s	25,637	100	\$9,500,000
2	Equipment	Leak Detection Equipment	N/A	0.0	1920s	7,121	40	\$2,300,000
3	Other – Regulator Station	Regulator Replacement Project	Bare steel	0.0	1970s	0.0	N/A	\$850,000
<b>Total</b>								\$12,650,000.00
		SF-424 Federal Funding Requested						\$12,650,000.00



# Project Prioritization

- Each project should be ranked numerically by priority.
- Ensure that the dollar amounts of all projects align with the amounts on either the SF-424A or SF-424C total federal funding request.
- Breaking down projects by street is unnecessary as they will likely all receive the same grant and technical scores.
- Equipment necessary to complete construction projects should not be broken out into separate projects. Those costs typically are found under the construction line item on the SF-424C.



# Detailed Project Description

- ☐ Does the description include the project location, milestones to completion, and a thorough explanation describing why funding is needed?
- ☐ Does the description include the condition of the existing infrastructure? (leak-prone, actively leaking, or another condition)
- ☐ Does the description include whether there is an immediate safety risk that poses danger to the community and/or environment?
- ☐ Have there been past incidents on the line?
- ☐ Does the need for the project align with the most recent DIMP and GDAR?



# Detailed Project Description, continued

- ☐ If funded, how will the project mitigate identified risks?
- ☐ What safety benefits will the project bring to the community?
- ☐ Include photographs or diagrams of project locations.
- ☐ Include information regarding access to or use of the right-of-way needed for the project, if applicable.
- ☐ Would partial funding be accepted?
- ☐ What is the minimum level of funding needed?
- ☐ Was the project in process prior to the posting of the NOFO?
- ☐ Would the grant expedite the project?



# Projected Outputs and Objectives

- Does the application provide quantifiable and measurable outputs planned for the grant's period of performance?
  - the quantity (e.g., mileage, age, and diameter) of pipeline affected;
  - if applicable, cost of equipment purchased for the project;
  - an estimate of the number of jobs the project may create;
  - an estimate of the project's potential for benefiting disadvantaged rural and urban communities;
  - an estimate of the economic impact or growth over the length of the project; and,
  - an estimate of the reduction in methane emissions attributable to the project, including the method of calculation.



# Budget Narrative

- ☐ Is the budget narrative consistent with costs fully explained?
- ☐ Does it align with the SF-424A (Equipment only) or SF-424C (Construction projects) line items?
- ☐ Do costs total the amount of federal funding requested on the SF-424?
- ☐ Are the contingency costs at or below 10 percent?
- ☐ Does your budget include quotes or invoices (Current or Past) to justify costs?
- ☐ Did you consider NEPA support, and Grants Administration costs in your budget?





# Budget Narrative, continued

**Items in the budget narrative should correspond with the costs listed on the SF-424A or SF-424C.** The budget narrative should provide an explanation and a breakout or itemization of project costs for each applicable line-item category. PHMSA requires more than just numbers for this section.

- Detail each budget item that supports the cost of the project
- Explain how costs are calculated.
- Include quotes, invoices or receipts.
- Round all costs to the nearest dollar

**Equipment Costs** should include reasonable explanation(s) of equipment cost(s) and include quotes. Please explain any benefits of purchasing versus leasing high-cost items.

**Contingency Costs** must be limited to 10%. This can be used for unexpected project costs.



# Budget Narrative, continued

## SF-424C

(Construction applications  
with or without equipment)

COST CLASSIFICATION
1. Administrative and legal expenses
2. Land, structures, rights-of-way, appraisals, etc.
3. Relocation expenses and payments
4. Architectural and engineering fees
5. Other architectural and engineering fees
6. Project inspection fees
7. Site work
8. Demolition and removal
9. Construction
10. Equipment
11. Miscellaneous
12. SUBTOTAL (sum of lines 1-11)
13. Contingencies
14. SUBTOTAL
15. Project (program) income
16. TOTAL PROJECT COSTS (subtract #15 from #14)

## SF-424A

(Equipment-only applications)

6. Object Class Categories
a. Personnel
b. Fringe Benefits
c. Travel
d. Equipment
e. Supplies
f. Contractual
g. Construction
h. Other
i. Total Direct Charges (sum of 6a-6h)
j. Indirect Charges
k. TOTALS (sum of 6i and 6j)

Equipment less than \$10,000  
should be categorized as  
Miscellaneous or Supplies  
depending on the form you use.



# Budget Narrative, continued

Costs to consider when formulating your budget:

- Pre-award costs: Permitting, Licenses, Grants Management Training, Grant Consultants
- NEPA/Environmental Consultant costs
- Site restoration costs: Asphalt, Grass, Concrete, etc.
- Single audit costs
- Inflation
- Grants management training
- Administrative staff support to manage the grant



# Indirect Costs

## 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.
- Generally, these kinds of costs are identified, pooled, and charged against individual programs or funding sources using a rate designed to recover the costs.
- **For construction grant projects, there will be minimal costs after applying the Modified Total Direct Cost (MTDC) calculation. These costs will be mostly limited to the Administrative Costs line item.**
- Once elected, the 15% *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](#)



## 2 CFR 200 Changes **NEW!**

- Equipment threshold changed from \$5K to \$10K
- Audit Threshold changed from \$750K to \$1M
- De minimis rate increased from 10% to 15%



# Underserved Communities **NEW TOOL!**

Applicants should use the Climate and Economic Justice Screening Tool (CEJST) to identify disadvantaged communities as the primary tool:

<https://screeningtool.geoplatform.gov/>

- Climate change
- Energy
- Health
- Housing
- Legacy pollution
- Transportation
- Water and wastewater
- Workforce development



# Underserved Communities

- Applicants are also encouraged to use the DOT Equitable Transportation Community (ETC) Tool to understand how their community or project area is experiencing disadvantage and address how their project will reduce, reverse or mitigate the burdens of disadvantage:  
<https://experience.arcgis.com/experience/0920984aa80a4362b8778d779b090723/page/ETC-Explorer---National-Results/>
- To respect Tribal sovereignty and self-government and to fulfill Federal trust and treaty responsibilities to Tribal Nations, land within the boundaries of Federally Recognized Tribes are designated as disadvantaged.





# Key Documents for the Technical Evaluation Panel

- ☐ Most recent Gas Distribution Annual Report (GDAR) (PHMSA Form 7100.1-1)
- ☐ Most recent Distribution Integrity Management Plan (entire document)
- ☐ Any pictures that may support the need for funding.



# Standard Forms

The Authorized Representative (AR) is the person with legal authority to sign documents. The AR must sign all Standard Forms.

## 1. **Standard Form (SF) 424 – Application for Assistance**

- Two points of contact are required.
- Person named/contact information in Section 8f must not be the same person named as the Authorized Representative (AR) in Section 21.

## 2. **Equipment-only** (non-construction projects):

- SF-424A - Budget Information - Non-Construction Programs
- SF-424B - Assurances - Non-Construction Programs

**OR**

## 3. **Construction improvements with or without equipment:**

- SF-424C - Budget Information - Construction Programs



# Standard Forms, continued

5. **SF-424D - Assurances - Construction Programs**
6. **Grants.gov Lobbying Form; and Disclosure of Lobbying Activities form (SF-LLL), if applicable.**
7. **USDOT Standard Title VI/Non-Discrimination Assurances (non-USDOT Standard Title VI/Non-Discrimination Assurances forms are not acceptable)**



# Required Statements

- ☐ Statement of Authority and Pipeline Infrastructure Safety and Modernization Capabilities (verify eligibility and confirm the entity has legal authority and capability to perform pipeline infrastructure repairs)
- ☐ Statement certifying compliance with Executive Order 13985 (Equity Requirement).
- ☐ Statement certifying compliance with Domestic Preference/Buy America



# Attachments

1. Project Narrative
2. Budget Narrative
3. Indirect cost rate agreement (if applicable)
4. Most current Distribution Integrity Management Plan (DIMP) (entire DIMP)
5. Most current USDOT/PHMSA Gas Distribution System Annual Report (GDAR) (Form PHMSA F 7100)
6. Additional optional attachments per applicant's discretion (maps, pictures, charts, etc.)



# Common Errors

- Not establishing a safety risk profile for the project.
- Discrepancies between the GDAR/DIMP 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.
- The total project costs not aligning with the budget narrative and the SF424-C.



# Contact Information

[PHMSAPipelineBILGrant@dot.gov](mailto:PHMSAPipelineBILGrant@dot.gov)

202-366-7652

**PHMSA will collect questions by email or phone and respond via grants.gov.**



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# Resources

## Introduction to Grants.gov Video Series

<https://www.youtube.com/playlist?list=PLNSNGxQE7NWlPcYxV...>

## NGDISM Website

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



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