



## **Key State Energy Resilience Opportunities Under the Disaster Recovery Reform Act of 2018**

On October 5, 2018, President Trump signed H.R. 302, which contains the Disaster Recovery Reform Act of 2018 (DRRA). This important change in how the United States rebuilds following disasters and invests in resilience to lessen the impact of disasters includes new opportunities for State and Territory Energy Offices to collaborate with state emergency management agencies, local governments, and the private sector to enhance energy-related resilience. Following are key provisions with energy-related elements. In particular, a significantly enhanced Pre-Disaster Mitigation Grant Program to be offered to states by the Federal Emergency Management Agency (FEMA) presents new opportunities for State Energy Office and state emergency management agency cooperation to enhance energy system resilience, as well as the resilience of energy elements of the buildings and communities.

### **Energy Sector Considerations**

***National Public Infrastructure Pre-Disaster Hazard Mitigation Program (Section 1234)*** significantly enhances the Pre-Disaster Hazard Mitigation program (PDM) and provides technical and financial assistance to state and local governments to establish and implement published consensus-based, specifications and standards; and to incorporate hazard-resistant designs and establish minimum acceptable criteria for hazard mitigation project design, construction and maintenance. The act states that the President may set aside from the Disaster Relief Fund, with respect to each major disaster, an amount equal to 6 percent of the estimated aggregate amount of federal assistance under the following programs: Essential Assistance, Public Assistance, Debris Removal, Individual Assistance, Unemployment Assistance and Crisis Counseling Assistance and Training. The aggregate amount must be set no later than 180 days after a federal disaster declaration and cannot be reduced, increased, or changed.

Indications from the Administration and FEMA are that they intend to make the full 6 percent available. Based on last year's disaster funding this equates to about \$1 billion for the program – many times the amount previously provided for these critical investments. Importantly, all funding expended from the public infrastructure investment set-aside "shall not be considered part of FEMA's regular appropriations for non-Stafford activities, also known as the Federal Emergency Management Agency's Disaster Relief Fund base." This provides a significant opportunity for State and Territory Energy Offices to expand their role in pursuing and advising on energy-related PDM projects.

***Code Implementation and Enforcement (Section 1206)*** authorizes FEMA to provide federal emergency assistance "to State and local governments for building code and floodplain management ordinance administration and enforcement, including inspections for substantial damage compliance." This addition will enable State governments to use Stafford Act funds to hire and train additional staff for implementation and enforcement of building codes for 180 days following a major disaster declaration.

NASEO has coordinated with affiliates and partners to communicate to FEMA the importance of energy codes for system resilience and their applicability statute-energy codes as a subset of building codes.

**Hazard Mitigation Grant Program for Resilience (Section 1235a)** ensures Hazard Mitigation Grant Program funding increases resilience to future damage, hardship, loss or suffering.

**Public Assistance Codes and Standards (Section 1235b)** authorizes FEMA to provide Public Assistance funding to replace and restore certain disaster damaged facilities to the latest published editions of relevant consensus-based codes, specifications, and standards to ensure that facilities are restored in a manner that incorporate the latest hazard-resistant designs and standards. This section clarifies that federal assistance for hazard mitigation may be used to rebuild "in a manner that allows the facility to meet the definition of resilient." Previously, costs were eligible for reimbursement only for repairs or rebuilding to existing codes and standards "applicable at the time at which the disaster occurred." FEMA will be required to issue official definitions of "resilient" and "resiliency." This clarification will enable states to "...establish minimum acceptable criteria for the design, construction and maintenance of residential structures and facilities..." to meet the definition of resilience established by FEMA

**Prioritization of Facilities (Section 1208)** requires FEMA to provide guidance and annual training for state, local, tribal, governments, first responders and utility companies on the need to prioritize assistance to certain facilities so they remain functional or return to functional as soon as practicable. The guidance will highlight the prioritization of power restoration for hospitals and nursing homes and the need to coordinate response plans among state and local governments, health care providers, and utilities before power outages occur. It will be important for State and Territory Energy Officials to serve as energy subject matter experts to identify significant energy system traits and interdependencies that may affect prioritization realities.

**Wildfire Prevention (Section 1204)** authorizes FEMA to provide hazard mitigation grant funding in areas that received Fire Management Assistance Grants as a result of a fire. Recipients may use this assistance to conduct activities to help reduce the risk of future damage, hardship, loss or suffering in any area affected by a wildfire or windstorm. This section includes an itemized list of additional mitigation activities that are eligible for assistance, such as hardening of electrical transmission or distribution utility pole structure. This section effectively opens up more funding for wildfire and windstorm-affected areas specifically.

**Supplemental Appropriation:** DRRA included a \$1.8 billion appropriation for Community Development Block Grants–Disaster Recovery (CDBG-DR) Program through the Department of Housing and Urban Development (HUD). Through this funding HUD will supplement other disaster recovery assistance programs administered by FEMA, Small Business Administration, and the U.S. Army Corps of Engineers. CDBG-DR funding is used by local governments to cover necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing and economic revitalization.

### **Next Steps and More Information**

NASEO has engaged with a range of partners over the past two years to ensure DRRA addressed important state energy resilience actions and opportunities. Throughout 2019, we will be working with states, FEMA, and the U.S. Department of Energy to elevate energy-related resilience solutions for consideration in both rebuilding and strengthening energy system and community resilience through investments that FEMA, state emergency agencies, and state energy offices set as a priority. For more information please contact Campbell Delahoyde at [cdelahoyde@naseo.org](mailto:cdelahoyde@naseo.org).