Executive Summary

Rappahannock Electric Cooperative (REC) proposes the installation of two (2) 4MW-4hr (16MWh) Battery Energy Storage Systems (BESS) at strategically selected substations to enhance grid reliability, resilience, and affordability for our member-owners. These systems will provide Peak Shaving capabilities during periods of high demand, reduce transmission/substation transformer/distribution loading, and deliver islanding capabilities during outages. By lowering wholesale demand charges incurred through REC's wholesale energy supplier, the project will also help reduce operating costs and supports member affordability. Building on REC's successful deployment of a BESS at the Brokenburg Substation, this project leverages proven technology, experienced operations, and potential local contractor engagement to deliver measurable grid and member benefits while supporting Virginia's energy innovation and economic development goals. This is particularly important considering the advent of data centers coming to multiple localities throughout the Commonwealth of Virginia - this project would be an investment in energy infrastructure in one of those communities. This proposal aligns with the "all of the above" energy strategy that is essential in securing affordable, reliable, and safe electricity for all the residents of Virginia today and tomorrow - particularly considering all the growing electricity demands from data centers, new/existing businesses, and new residents moving to Virginia. Without the funding, the execution of this project would be extremely unlikely due to the capital funding requirements that would encumber the Cooperative and its membership.

Key Requirements:

All projects funded under this RFP must comply with Build America/Buy America Act (BABA) and the Davis-Bacon Act. The details are provided below:

1. Buy America Requirements for Infrastructure Projects
Awards funded through this Funding Opportunity Announcement (FOA) that involve the construction, alteration, maintenance, or repair of public infrastructure in the United States must adhere to the following Buy America requirements:

Domestic Production Requirement
All iron, steel, and manufactured products used in the infrastructure project must be produced in the United States.

All construction materials used in the infrastructure project must be manufactured in the United States.

Applicability
The requirement applies to projects based on several factors, including the recipient's entity type and whether the project involves "infrastructure" as defined in Section 70914 of the Bipartisan Infrastructure Law (BIL).

For this FOA, all projects are considered "infrastructure" under the Buy America provision, according to OMB Memorandum M-22-11 issued on April 18, 2022.

Exemptions
The Buy America requirements do not apply to DOE projects where the prime recipient is a for-profit entity.

The requirements apply to projects where the prime recipient is a "non-Federal entity" (e.g., State, local government, Indian Tribe, Institution of Higher Education, or nonprofit organization).

Subaward Conformance
For-profit prime recipients are not required to impose Buy America requirements on subrecipients.

Non-Federal entity prime recipients must impose Buy America requirements on all subrecipients, regardless of their for-profit status.

Program Policy Factor
DOE may consider the applicant's commitment to procuring U.S. iron, steel, manufactured products, and construction materials when selecting applications for award negotiations.

Commitments and Waivers
The Agreement will require recipients to:

1. Fulfill commitments made regarding the procurement of U.S.-produced products.
2. Procure key component metals and manufactured products domestically when available in sufficient quantities and of satisfactory quality.

Applicants may request waivers of these requirements in limited circumstances and for good cause shown.

2. Davis-Bacon Act Compliance
All projects funded under this RFP must comply with the Davis-Bacon Act, which requires:

Prevailing Wages
Payment of local prevailing wages and fringe benefits to laborers and mechanics employed on federal and federally assisted construction projects.

Wage Determinations
Use of wage determinations issued by the U.S. Department of Labor to establish prevailing wage rates for specific types of work in various geographic areas.

Labor Standards
Adherence to labor standards provisions in the contract, including the payment of wages at least once a week and maintaining accurate payroll records.

Contractor Obligations
Contractors and subcontractors must comply with all applicable wage and hour requirements and ensure that workers are informed of their rights under the Act.

Compliance with the Davis-Bacon Act ensures fair compensation for workers and helps maintain labor standards on construction projects funded under this RFP.