Comments of the Large Public Power Council on the Final Report of the President's FEMA Review Council

To:	President's Federal Emergency Management Agency Review Council, Office of Partnership and Engagement, U.S. Department of Homeland Security
Re:	Comments of the Large Public Power Council on the Final Report of the President's FEMA Review Council (May 7, 2026)
Docket Nos.:	DHS-2026-0067 (Final Report comment docket) and DHS-2025-0712 (FEMA Review Council docket)
Sub. via:	Federal eRulemaking Portal (regulations.gov) and email to FEMAreviewcouncil@hq.dhs.gov
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I. Introduction and Statement of Interest

The Large Public Power Council (LPPC) respectfully submits these comments on the Final Report of the President's Federal Emergency Management Agency (FEMA) Review Council, released May 7, 2026. These comments build on the comments LPPC submitted to the Council in May 2025 in response to its initial request for public input, and they refer to that earlier filing where the Council has already received LPPC's position on a question.

LPPC represents 29 of the nation's largest public power utilities, operating across 23 states and territories. Our members are state- and locally-owned, not-for-profit electric utilities, governed by local boards accountable to the public and operated for customers rather than shareholders. Together, LPPC members serve more than 30 million Americans, own approximately 80 gigawatts of generation, and operate more than 45,000 circuit-miles of high-voltage transmission. Public power utilities are essential infrastructure providers and frontline responders. When disaster strikes, our crews are among the first to restore service, often working under emergency conditions and relying on mutual aid from utilities across the country.

LPPC supports FEMA reform. Our members have experienced firsthand the delays, inconsistency, and administrative burden that the Final Report identifies, and we share the goal of a faster, clearer, and more accountable disaster recovery system. We offer these comments to help ensure that reform improves recovery for the electric infrastructure that communities depend on.

These comments focus on the Final Report's recovery and mitigation recommendations. They also reference H.R. 4669, the Fixing Emergency Management for Americans Act of 2025, which LPPC has endorsed, because that bill also shares several of the Final Report's goals, including faster and more predictable funding and reduced administrative burden.

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II. Executive Summary

LPPC supports FEMA reform. The question LPPC raises is not whether to reform disaster recovery, but how to do so without shifting substantial and unpredictable recovery cost and risk onto utilities and the customers who ultimately bear it.

Public power utilities own and operate generation, transmission, and distribution infrastructure that is geographically dispersed and exposed to every category of natural hazard. After a major disaster, restoration is not confined to discrete, insurable buildings. It involves rebuilding widespread field infrastructure, including overhead lines, poles, substations, and related facilities, under emergency conditions and on compressed timelines driven by public health and safety.

FEMA's Public Assistance program supports this work on a cost basis tied to eligible, documented work, and the program is central to public power recovery: in LPPC's 2025 benchmarking survey, 91 percent of 24 responding member utilities reported receiving FEMA Public Assistance funding after a disaster. The actual cost of restoring a damaged system is difficult to predict in advance and varies widely with the nature, location, and severity of the

damage; much of that cost also cannot be insured. Both features bear directly on the reforms the Final Report proposes.

Five points frame these comments:

- LPPC supports many of the Final Report's objectives, including faster funding, state procurement and review flexibility, reduced duplicative reviews, and audit-based closeout. LPPC supports structural reform. It has endorsed H.R. 4669, the Fixing Emergency Management for Americans Act of 2025, which speeds funding through estimate-based grants while preserving the cost-based link, retains a 75 percent cost share baseline, includes finality protections to address chronic closeout delays, and reimburses interest utilities incur on bridge loans pending Public Assistance payment. LPPC supports comparable reforms in the Final Report. LPPC's own 2025 benchmarking survey of member utilities confirms the need: among the 24 members responding, 86 percent identified complex applications and documentation requirements as a barrier to FEMA funding, a burden that does not merely impede access but raises the cost of recovery and delays restoration.
- LPPC's central concern is the proposed conversion of the Public Assistance program into RAPID (the Reformed and Partnered Initiative for Disasters), an up-front parametric formula grant. Faster liquidity and reduced administrative burden are worthwhile goals, and parametric models work well for a diversified party such as an insurer holding a broad portfolio of risk, because the gap between a formula payout and any single loss averages out across a large enough pool. A public power utility is not that diversified party; it is the end claimant with one system and a documented restoration cost, and for a single claimant the formula's error does not average out. Nor is a state a workable substitute as the diversified party: major disasters can run several times a state's annual budget, and most states cannot deficit-spend to absorb the shortfall. Private insurance cannot fill that gap either, because the cost categories that dominate public power restoration are not practically insurable. FEMA should preserve its role of helping the end claimant with specific, documented damage. A parametric formula, if adopted, should be developed against historical disasters, tested, piloted, regularly reviewed against actual outcomes, and paired with a documented-cost backstop so that any shortfall does not fall on a community just struck by a major disaster. Reform can deliver speed without severing the link between documented damage and federal assistance, as H.R. 4669 demonstrates.
- The reduction of the federal cost share from a 75 percent baseline to a 50 percent floor is a certain and quantifiable increase in the cost borne by communities recovering from disaster. As with the parametric basis gap, this cost-share shortfall cannot be made up through private insurance: commercial property policies are designed for discrete buildings and equipment, not the widespread field work that dominates public power restoration, such as mutual aid, emergency labor, tree and debris clearing, and system-wide line repair. This is not a coverage choice but a limit of the insurance

available: in LPPC's May 2026 member survey, twelve of thirteen responding utilities, 92 percent, reported that the only property insurance their carriers will write excludes transmission and distribution or imposes a distance-from-substation limitation, and the thirteenth carried no transmission and distribution coverage at all. The gap therefore cannot be closed by requiring more insurance, nor is it a defect in current law: federal law has required applicants to carry insurance since 1988. The consequences reach beyond the utilities themselves; Moody's Ratings has characterized the proposed FEMA overhaul as credit negative for state and local governments.

- The proposed annual state minimum expenditure threshold introduces randomness in who recovers federal assistance. Disaster damage does not accumulate at the recipient level across a calendar year: a utility hit by a major event early in the year would absorb its damage against a state-level threshold the state has not yet approached, while a comparably damaged applicant hit later in the same year would be eligible. The proposal assumes a state backstop that may not exist.
- Some of the delay, inconsistency, and burden the Final Report documents reflects FEMA's staffing shortfalls and lack of electric-utility expertise. Whatever structure is adopted, the personnel who review disaster claims, whether at the state or federal level, should be adequate in number and include electric-utility expertise, because utilities are first responders that provide an essential public service and are party to nearly every disaster recovery.

III. LPPC Principles for FEMA Reform

LPPC evaluates FEMA reform proposals against the following seven principles. These principles are stated independently of any particular proposal; they are the standards LPPC uses to assess whether a reform serves public power and the communities it serves. One point of method applies throughout: a reform should be evaluated on its detailed design, including statutory text, formulas, and allocation rules, rather than on its stated goals, because adequacy depends on the design and not the objective.

Preserve FEMA as a reliable federal backstop for catastrophic events. States, territories, tribes, local governments, and utilities all have critical roles in disaster response and recovery. FEMA should remain a reliable federal backstop when a disaster exceeds their combined capacity, for the reasons summarized in Section II and developed in Section V.A.

Accelerate recovery without reducing adequate or predictable cost recovery. Reform should speed funding and decisions while preserving a clear and predictable path to recover documented eligible costs. Faster funding is valuable only if it does not leave utilities and their customers with significant or unpredictable unreimbursed restoration costs. If a reform substitutes a formula or index for documented-cost recovery, a documented-cost path should remain available as a backstop, so that the gap between a formula payment and actual restoration cost does not fall on a disaster-struck community. If recovery funding is provided as a capped or formula-based pool that a state allocates, allocation should follow documented

need rather than where a cost happens to fall in state budgeting or other priorities, and subgrantees should retain clear rights to document eligible costs, seek supplemental recovery, and appeal adverse state allocation decisions. Sections V.A and V.B develop these points, including the parametric basis-risk concerns and the proposed cost-share floor.

Require insurance where reasonable, but do not treat it as a substitute for FEMA. Applicants should maintain insurance where it is commercially available, adequate, and reasonable. Reform should recognize that many restoration costs are not practically insurable, including overhead wires, mutual aid, emergency labor, debris, road clearing, erosion, and system-wide field restoration, and that a utility's disaster exposure is not limited to insured buildings or discrete facilities. Section V.E develops these points with the May 2026 member insurance survey.

Integrate mitigation and resilient rebuilding into recovery. Utilities should be able to incorporate mitigation and rebuild to current utility standards during recovery, rather than being routed into slower, separate grant tracks. Sections V.C and V.D address the practical obstacles utilities face, including FEMA's like-for-like replacement rule that today routes resilient rebuilding into a separate mitigation grant track.

Match oversight to risk. Documentation, review, and audit requirements should be proportionate to the dollar value and risk of the work. Applying the same administrative burden to small, low-risk costs as to major projects consumes time and money in compliance, produces somewhat arbitrary results, and leads utilities to forgo legitimate claims. Closeout should be timely and final. Long closeouts, followed by Inspector General review years later, force utilities to defend costs after FEMA staff have turned over and the utility's own institutional memory has faded. Section V.H develops the proportionality of review and the closeout-finality concerns, including the problem of grant review, as well as Inspector General review, conducted after institutional memory has turned over.

Build adequate staffing and utility-specific expertise. A better legal framework will not work if FEMA and state agencies lack the staff and expertise to administer it. Because electric utilities are first responders that provide an essential public service and are party to nearly every disaster recovery, the personnel who review disaster claims should include electric-utility expertise, whether claims are administered by FEMA or by states. Section V.I develops the FEMA staffing shortfall and the electric-utility expertise gap, as documented in LPPC's 2025 benchmarking survey.

Encourage prudent pre-positioning and mutual aid. Reimbursement rules should encourage pre-event staging, pre-positioning, and mutual aid when forecasted events present credible risk, and should not discourage utilities from taking reasonable protective action before impact. The eligibility of prudent pre-positioning costs is currently unsettled for utilities: it has been recognized only through case-by-case arbitration, as in a recent decision involving an electric cooperative, rather than being clear and uniform by rule. It should be made clearly eligible by statute. Section V.J and Appendix A develop this, including the recent Sumter arbitration and

proposed statutory language that would make pre-positioning eligibility clear by rule rather than by case-by-case decision.

IV. Evaluation of the Two Reform Proposals Against LPPC Principles

LPPC applies the seven principles above to the two reform proposals now before it: the FEMA Review Council's Final Report and H.R. 4669, the Fixing Emergency Management for Americans Act of 2025. One difference shapes the comparison. H.R. 4669 is legislative text, so its design can be assessed directly. The Final Report is a conceptual document that leaves central elements, including the RAPID parametric formula, state allocation rules, and subgrantee rights, to be designed later. Several assessments of the Final Report below are therefore necessarily provisional, and LPPC's ability to evaluate it fully depends on the detail that a future agency would supply.

On the substance, H.R. 4669 speeds funding while preserving the documented-cost link and a 75 percent baseline. The Final Report contains ideas LPPC supports, particularly on process streamlining, but its central recovery and mitigation changes cannot be fully evaluated until the formula and allocation rules are defined, and its cost-share floor is a definite reduction. Neither proposal yet fully addresses pre-positioning eligibility or utility-specific staffing. The table below summarizes our assessment.

LPPC Principle	FEMA Review Council Final Report	H.R. 4669
1. FEMA as a reliable federal backstop	Retains a federal role but shifts recovery to state-administered funding with federal oversight. Whether FEMA remains a reliable backstop depends on several undefined or contingent elements: the parametric formula's adequacy in any given event, the annual state minimum expenditure threshold (which makes federal triggering depend on calendar timing), and the cost share level set within the proposed 50 to 75 percent range. State capacity to backstop a federal shortfall is unreliable, and private insurance cannot substitute, because key restoration cost categories are not practically insurable.	Preserves FEMA as the recovery mechanism and keeps federal assistance tied to damaged facilities and eligible work. Retains a 75 percent cost share baseline (reducible to 65 percent, increasable to 85 percent for resilience), so the federal backstop level is not reduced. Consistent with the principle.
2. Accelerate recovery without reducing adequate or predictable cost recovery	Accelerates recovery by replacing documented-cost reimbursement with an up-front parametric formula payment. This method severs the link between actual restoration cost and federal payment, sacrificing predictability for speed; the parametric formula's design is undefined, so whether resulting payments will match actual losses in any given event cannot yet be assessed.	Speeds funding for permanent restoration work through professional cost estimates and statutory review deadlines, while preserving cost-based recovery. The bill also reimburses interest a recipient incurs on loans taken to cover the cash flow gap pending PA payment, currently treated as optionally eligible. Consistent with the principle.

LPPC Principle	FEMA Review Council Final Report	H.R. 4669
3. Require insurance where reasonable, not as a substitute for FEMA	Relies on insurance requirements and private risk transfer. Federal law already requires insurance, and many public power restoration costs are not practically insurable, so reliance on insurance is a concern.	Preserves FEMA Public Assistance as the recovery mechanism and does not treat private insurance as a substitute. Maintains the existing federal insurance requirement under Section 311 of the Stafford Act. Includes a study of insurance utilization. Consistent with the principle.
4. Integrate mitigation and resilient rebuilding into recovery	Does not address resilient rebuilding to current utility standards within the base permanent-repair project; whether that is reached would turn on state choices under a delegated model or remain governed by federal eligibility rules. Separately, replaces HMGP with the R3P program.	Allows mitigation in rebuilding, but ties it to building codes and consensus standards; utility infrastructure built to engineering-based utility standards is still routed into separate, slower mitigation grants. Partly consistent; LPPC seeks an improvement.
5. Match oversight to risk	Builds RAPID accountability on certified audits and a final closeout audit, and calls for removing duplicative environmental review, audits, and inspections. It also recommends, more generally, that FEMA simplify and standardize grant applications and documentation. It does not, however, make the documentation burden proportionate within a project. Directionally consistent with the principle.	Includes finality protections, a backlog task force, and a Public Assistance dashboard and other transparency measures. Strengthens closeouts but does not make the documentation burden proportionate within a project. Directionally consistent with the principle.
6. Build adequate staffing and utility-specific expertise	Does not clearly resolve staffing, and shifting administration to states may relocate the staffing and expertise gap rather than close it. Recommends a leaner federal workforce.	Does not fully resolve staffing or utility expertise; relies on implementation, studies, transparency measures, and process changes. Neither proposal yet establishes a dedicated utility-focused FEMA function.
7. Encourage prudent pre-positioning and mutual aid	Under a parametric model, prudently incurred costs for pre-positioning, staging, transportation, or mutual aid for "near-miss" events that do not reach the trigger would go unfunded.	Does not address the eligibility of prudent pre-positioning, staging, transportation, or mutual aid costs. LPPC has asked that H.R. 4669 make prudent pre-positioning costs for utilities eligible in response to a forecasted event, even when a storm shifts and the resources are not used, the same treatment FEMA already gives to pre-positioning for evacuation and sheltering.

The section that follows comments on the Final Report's specific recommendations in detail.

V. Comments on Specific Recommendations

LPPC's recommendations on the specific proposals share a single organizing aim: recovery should be made faster and simpler without shifting cost and risk onto disaster-struck communities and the ratepayers who ultimately bear it. The recommendations that follow are directed to that aim. Some ask that documented-cost recovery be preserved as the foundation,

or as a backstop, so that the gap between a formula and an actual loss does not fall on a community just struck by disaster. Some ask that resilient rebuilding and mitigation be funded where the work is actually done, within the base repair project, rather than routed into slower parallel programs. Some ask that oversight and documentation be matched to the dollar value and risk of the work. And some ask that FEMA build the staffing and electric-utility expertise, and the clear pre-positioning rules, that fast and reliable restoration depends on. Each recommendation is set out in full in the subsection that addresses it.

A. Public Assistance and RAPID Direct Funding

The Final Report's first recovery recommendation would convert the existing Public Assistance program into RAPID, a direct funding model in which a parametric formula, based on metrics such as wind speed, flood depth, earthquake magnitude, and affected population, sets an up-front payment to a state, tribe, or territory within 30 days of a declaration, replacing site-by-site loss assessment (Final Report, pp. 11, 42). LPPC supports faster funding and early liquidity, and parametric models are legitimate and well established in the right setting. In reinsurance and catastrophe-bond markets, keying payout to a published, objective parameter rather than an adjusted loss is what makes an instrument straightforward to price and trade, drawing capital to a diversified party that is managing a broad portfolio of risk. Such a party can accept basis risk, the gap between a formula payout and any single loss, because across a large pool that gap averages out.

A public power utility is not that diversified party. It is the end claimant, with one system in one place and a documented, itemized restoration cost. It is not seeking to lay off a generalized layer of risk; it knows its actual loss. For a single, undiversified claimant, basis risk does not average out; it lands in full. And the variables that drive it are the ones a population-and-hazard formula handles least well: whether a hurricane's eye passes thirty miles east or west can be the difference between light damage and a devastated system, and a formula keyed to wind speed and population of a general geographic region may not capture that. The parametric tool is not wrong; it is being applied to the wrong party. If the federal government wishes to capture the efficiency of parametric risk transfer, it is itself the diversified party and can purchase reinsurance or sponsor catastrophe bonds against its aggregate disaster exposure. Public power utilities look to FEMA not as a means of laying off a generalized layer of risk, but as the established source of recovery for specific, documented disaster losses to specific systems.

The experience of parametric insurance shows what basis risk does to a single claimant. After Hurricane Francine in 2024, two New Orleans public agencies held parametric wind coverage; the school system received no payout because wind speeds did not reach its policy trigger, while the regional transit authority, covered for the same storm under a different policy, did qualify, leaving local taxpayers to absorb the school facilities' damage. The Congressional Research Service has noted the same structural point in another form: a jurisdiction whose hurricane coverage is triggered by barometric pressure may recover nothing if the damage

comes from storm surge rather than wind.[1] These are private-insurance cases, not RAPID, but the mechanism is identical: when payment keys to a parameter rather than documented loss, the two can diverge, and the gap falls on the insured.

The Final Report's implicit answer to this concern is that the state, holding a portfolio of local needs, would allocate RAPID funds based on a parametric payout among them, in effect serving as the diversified party. That theory is unproven. A state is not a reinsurer. The largest disasters are large relative to a state's entire budget: federal spending related to Hurricane Katrina was, as of 2015, reported by the Times-Picayune at roughly three times the size of Louisiana's annual budget, and Puerto Rico's government estimated full recovery from Hurricanes Irma and Maria at $139 billion, which NPR reported as more than fifteen times the island's annual general fund budget. Nearly every state is also required to balance its budget and cannot run an operating deficit to absorb a catastrophe, so a state is the level of government least able to top up a shortfall. The catastrophe-bond and reinsurance markets are themselves finite and re-price sharply after large loss years, and the Final Report does not fund the development of any such capacity. The diversified-holder theory is therefore not only unproven but unfunded.

Public power utilities are already required to carry insurance under Section 311 of the Stafford Act, yet, as discussed in Section V.E, many of the largest restoration cost categories are not practically insurable, so insurance does not close the gap an underfunded parametric grant would open. A documented-cost backstop is therefore not a concession to caution; it is the element that protects both disaster-struck communities and the durability of the reform itself, by ensuring that an early shortfall under a new formula does not fall on those communities.

A related timing problem compounds the same concern. The Final Report would require a one-year reconciliation of RAPID funding, with any funds not associated with an eligible project classified as underruns and returned or reallocated to mitigation or insurance (Final Report, p. 44). The scale of rebuilding after a large loss means not only assessing damage but designing, engineering, and permitting the repairs, in an environment where both public and private resources are stretched thin. For catastrophic events, comprehensive damage may not be fully knowable within twelve months: Katrina-scale and Maria-scale recovery efforts have unfolded over many years, with eligible cost categories still being documented well beyond the first year. A hard reconciliation at twelve months can leave underrecovered communities absorbing residual cost after the federal funding window has closed. Any reconciliation cycle should account for catastrophic-event timelines, with an extended window or staged reconciliation for events above a defined damage threshold.

LPPC members can illustrate the size of the gap with real events. In one major storm experienced by an LPPC member utility, FEMA-eligible restoration cost approximately $705 million, of which property insurance, limited to substations, recovered roughly $80 million. An event of this scale demonstrates how far documented restoration and mitigation needs can

[1]Congressional Research Service, Parametric Insurance for Natural Disasters: Frequently Asked Questions, CRS Insight IN12670 (2024).

exceed commercial insurance recoveries. Another member-reported event involved approximately $309 million in damage from a 2020 tropical storm, with no commercial insurance recovery. A third member reported approximately $10.3 million in damage from a 2022 hurricane, with no commercial insurance recovery. These events are drawn from member-reported and survey-collected data; see Section V.E for the underlying May 2026 survey of 13 LPPC member utilities.

Members' experience also shows that the delays the Final Report identifies are real, and that in members' experience their cause has been in part administrative. One member reported that a claim for which it had documented approximately $30 million in costs had produced only a small fraction of that amount in payment to date. Another reported roughly $127 million in documented eligible cost against approximately $41 million received from FEMA over the period since 2010. A separate member's pandemic-related claim submitted in December 2022 was not obligated until February 2025. In members' experience, these outcomes are not simply structural but how the existing program is staffed.

LPPC supports structural reform of disaster recovery, including the reforms in H.R. 4669 and comparable process reforms in the Final Report. LPPC's concern is specific to the parametric conversion of Public Assistance. The conversion may reduce federal outlays and risk, but that cost would ultimately be borne by disaster-struck communities.

Recommendation. Preserve cost-based reimbursement tied to documented eligible work as the foundation of Public Assistance for permanent restoration; this is LPPC's primary recommendation. Should a RAPID-style parametric mechanism be adopted, it should serve only as an advance or liquidity tool layered on top of documented-cost recovery, not as a replacement for it, and a documented-cost supplemental path that allows a utility to recover eligible restoration costs exceeding the formula amount is essential. The Final Report is silent on whether and how a parametric model would be updated based on actual disaster experience; any adopted parametric mechanism should include a documented recalibration cycle, updated regularly based on post-event analysis of actual outcomes, including events where the parametric payout diverged materially from documented restoration costs.

B. Federal Cost Share

The Final Report recommends that RAPID's federal share be set at a minimum of 50 percent, rising to 75 percent based on state performance metrics (Final Report, pp. 11, 42). Because RAPID would replace Public Assistance, this is a reduction in the federal share for disaster recovery itself.

Two reference points show how significant that reduction is. The Stafford Act sets the federal cost share for Public Assistance at not less than 75 percent, and the President may raise it; for catastrophic events the share has historically been increased to 90 percent or more. The Final Report's RAPID scale runs from a 50 percent floor to a 75 percent ceiling. By comparison, H.R. 4669, which LPPC has endorsed, sets a federal cost-share baseline of not less than 75 percent; that baseline can be reduced to 65 percent on a defined sliding scale, increased to 85 percent

for specified resilience and preparedness investments, and the President retains authority to set a higher share for catastrophic events. LPPC notes that H.R. 4669's 65 percent floor is itself below the current 75 percent baseline. The difference from the Final Report is one of degree and structure: a substantially higher floor, tied to defined circumstances, applied to documented cost rather than a formula estimate, and preserving the catastrophic-event upside. The Final Report removes the catastrophic-event upside entirely and sets a floor well below both current law and the leading legislative alternative.

The magnitude is substantial. A reduction in the federal share from a 75 percent baseline to a 50 percent floor is a shift of 25 percentage points, and more for catastrophic events where the share would otherwise have been increased. Unlike the parametric-base risk discussed in Section V.A, this reduction is certain and quantifiable: it applies to every dollar of documented eligible cost. For an event on the scale of the member storm described in Section V.A, a shift of that size would move a substantial amount of recovery cost, reaching well into the hundreds of millions of dollars on a single large disaster, onto the utility and its customers. Because public power utilities are not-for-profit, those unreimbursed costs are recovered through the electric rates paid by the very communities the disaster has just struck.

Independent financial analysts have reached the same conclusion about where this cost would fall. Moody's Ratings has characterized the proposed FEMA overhaul as "credit negative for U.S. state and local governments," and concluded that the reforms would place a "larger share of disaster response and recovery costs on state and local governments at a time when natural hazard risks continue to rise."[2] S&P Global Ratings reached a similar assessment, cautioning in a June 4, 2025 report, Federal Disaster Relief Funding Proposals Could Elevate Credit Risks for U.S. Governments, that devolving a higher share of disaster cost onto state and local governments could create lasting financial and credit pressure. These assessments describe the same dynamic these comments raise: a reduced federal share does not lower the cost of restoration; it reassigns that cost to entities, and ultimately ratepayers, less able to absorb it.

A performance-based scale raises a further concern. A public power utility that restores its system prudently and efficiently could nonetheless receive a reduced federal share because of state-level performance factors it does not control.

Recommendation. Preserve a 75 percent federal cost-share baseline for disaster recovery, consistent with current law and with H.R. 4669, and preserve the President's authority to increase the share for catastrophic events. Any downward adjustment should be narrow, clearly defined, and structured so that public power utilities are not penalized for state-level decisions they do not control.

C. Hazard Mitigation Grant Program

Public power utilities already compete for hazard mitigation funding today under the Hazard Mitigation Grant Program (HMGP), a capped grant prioritized through state mitigation plans.

[2]Moody's Ratings, *Proposed FEMA reforms would push more risk onto state and local governments*, U.S. Public Finance Sector Comment (May 14, 2026).

The R3P structure, which would replace HMGP, is not yet defined in sufficient detail for us to evaluate it. Of R3P's two phases, the rapid mitigation advance available within 30 days of a declaration is not available to utilities. Public power mitigation depends entirely on R3P's second phase, the Strategic Mitigation Allocation of up to 10 percent of the disaster estimate, directed to repetitive-loss properties and critical infrastructure and provided on a longer timeline (Final Report, p. 34). Within that single capped lane, a state allocating limited dollars may weigh individual repetitive-loss properties more heavily than the hardening of electric infrastructure, even though restoring and hardening the grid benefits the entire community.

Recommendation. Do not replace HMGP with R3P without detailed program design, including clear prioritization rules that protect critical infrastructure such as power systems. Because a single capped allocation may favor individual repetitive-loss properties over grid hardening, the Council should consider a dedicated funding lane, or a set-aside within the Strategic Mitigation Allocation, for critical infrastructure, so that mitigation funding reliably reaches projects that protect the whole community.

D. Resilient Rebuilding to Current Utility Standards

A distinct problem affects resilient rebuilding, and it is one LPPC has asked Congress to fix in H.R. 4669 as well. FEMA's like-for-like replacement policy generally limits federal funding to rebuilding a damaged facility as it was, even where that design has already failed in a disaster. When a utility needs to rebuild to its current engineering standards, for example replacing wood poles with steel or elevating a flood-damaged substation, it is often forced to pursue a separate grant rather than including the upgrade in the base repair project. Current engineering standards reflect how the utility invests its own dollars in resilient infrastructure, and therefore should be eligible when rebuilding damaged infrastructure under a FEMA grant. That separate track adds reviews, benefit-cost tests, and delay. Members further report that the benefit-cost analyses governing that separate track are run by FEMA modelers using assumptions the utility has limited opportunity to inform, so that cost-effective hardening of electric infrastructure is sometimes found not cost-effective on inputs the utility had no chance to correct. Members report substations whose rebuilding was delayed more than a year while a grant to elevate them was processed, and report that similar upgrades are approved as eligible standards work for one utility and denied to another.

H.R. 4669 takes an important step by allowing project-based grants to include mitigation needed to meet applicable building codes and consensus-based standards. That works for facilities designed under building codes, but electric utilities build lines, substations, and grid facilities to engineering-based utility standards, not local building codes. The bill's improvement therefore does not reach most utility infrastructure. The Final Report does not address this like-for-like constraint or the building-codes-versus-utility-standards gap; to the extent it delegates program administration to states, whether resilient rebuilding to current utility standards can be funded in a base repair project would turn on state choices or remain governed by existing federal eligibility rules the Final Report does not propose to change. LPPC has recommended that Congress recognize "utility standards" alongside "applicable

building codes" in statute, so that rebuilding to current utility standards can be included directly in the base project rather than routed into a slower parallel program.

A related provision of H.R. 4669, Section 305, is useful but does not close this gap. Section 305 confirms that cost-effective mitigation carried out during emergency restoration under Section 403 of the Stafford Act does not forfeit a utility's eligibility for permanent-work mitigation funding under Section 406. That clarification addresses the timing of mitigation work; it does not authorize rebuilding permanent repairs to current utility standards, which is the gap LPPC asks Congress and the Council to close.

Members' experience underscores the stakes. Public power utilities have completed mitigation and resilient-rebuilding work, only to have that work treated as ineligible because it exceeded a like-for-like replacement standard. A mitigation program that is slow, capped, or narrowly prioritized leaves utilities to choose between acting promptly and preserving eligibility.

Recommendation. Any reform, including H.R. 4669, should recognize current utility standards alongside applicable building codes, so that resilient rebuilding of grid facilities is funded within the base repair project rather than routed into a slower, separate mitigation program. LPPC's proposed statutory language to accomplish this is set out in Appendix B, with illustrative member examples in Appendix C.

E. Insurance and Risk Transfer

The Final Report places significant weight on private insurance and risk transfer. LPPC supports the use of insurance where it is commercially available, adequate, and reasonable. LPPC notes at the outset that FEMA does not need new authority to require insurance. Since 1988, Section 311 of the Stafford Act has required recipients of Public Assistance for permanent work to obtain and maintain insurance reasonably available, adequate, and necessary to protect against future loss, and FEMA has long implemented that requirement through regulation. A recommendation to strengthen insurance therefore builds on an existing federal mandate rather than filling a gap in current law.

The categories of cost that dominate public power restoration are, in large part, not practically insurable. These include mutual aid, emergency labor, overhead wires, debris removal, road clearing, erosion control, staging, transportation, and system-wide field restoration under emergency conditions. A reform that assumes private insurance will absorb these costs would leave a substantial and predictable gap.

A May 2026 LPPC survey of 13 member utilities confirms how limited that insurability is. Twelve of thirteen responding utilities, 92 percent, carry a transmission and distribution exclusion or a distance-from-substation limitation in their primary property program, most commonly a 1,000-foot rule that places virtually all overhead and underground distribution outside the commercial coverage boundary; the one exception reported no transmission and distribution coverage of any kind. Across 31 declared events reported by 11 utilities since 2015, commercial insurance recovered nothing or effectively nothing in 28; only three events produced a recovery exceeding a few percent of the loss, the highest at 25 percent. Illustrative

anchor events include one LPPC member that reported $309 million in damage from a 2020 tropical storm with no commercial insurance recovery, another that reported $10.3 million in damage from a 2022 hurricane with no insurance recovery, and a third that reported $4.3 million in damage from a 2021 winter event with no insurance recovery.

One additional finding from the same survey forecloses any moral-hazard concern about utility insurance behavior: zero of 13 respondents declined to file an insurance claim out of premium or renewal concerns. Utilities are not strategically underclaiming insurance to shift cost to FEMA. The gap documented above reflects what the commercial insurance market offers public power, not what utilities choose to forego.

One feature of the RAPID design is worth crediting: the Final Report provides that parametric funding would not be reduced by a utility's insurance proceeds, which avoids penalizing utilities that carry coverage (Final Report, p. 44). That is a positive. It does not, however, change the underlying concern, because the broader reform still relies on insurance to offset a reduced level of federal support, and, as noted above, most public power restoration costs are not practically insurable.

Recommendation. Require insurance where it is commercially available, adequate, and reasonable, consistent with the obligation that already exists under Section 311. Recognize in any reformed program that widespread electric-system restoration is not a risk that private insurance markets cover in the way they cover discrete, insurable structures.

F. State Administration and Allocation

The Final Report would have states, tribes, and territories receive and administer recovery and mitigation funds, in part to reduce FEMA's administrative costs (Final Report, p. 12). LPPC raises two related concerns.

First, this changes the state's role from a partner in the application process to an allocator of limited dollars among competing applicants and priorities, and the rights of subgrantees within that process are not defined.

Second, faster funding to a state does not mean faster funding to a utility. This is not a criticism of states; it is a structural fact. Many state emergency management agencies face the same staffing and electric-utility expertise constraints as FEMA, so even if a parametric grant reaches a state quickly, the state may lack the capacity to review, allocate, and disburse those funds to subgrantees promptly. The reimbursement delay public power experiences today could simply move from FEMA to the state. LPPC's 2025 benchmarking survey reflects this directly: members report that FEMA funding currently passes through the state with no established timeline for the state to act, and they describe substantial duplication between state and federal review of the same work.

Recommendation. Any state-administered model should include transparent allocation rules, clear subgrantee rights to document costs and appeal adverse allocation decisions, a supplemental path where utility needs exceed the state allocation, and enforceable timelines

that hold both FEMA and states accountable for moving funds to subgrantees, not merely for receiving them.

G. Disaster Declaration Criteria

The Final Report recommends recalibrating the criteria for major disaster declarations, including resetting the Public Assistance per capita indicator for inflation and establishing annual minimum state expenditure thresholds before a state may request a declaration (Final Report, p. 32). LPPC's first comment on declaration criteria is narrow, and it continues a recommendation LPPC made to the Council in its May 2025 comments.

FEMA's reliance on county-level cost thresholds is a poor fit for electric utilities. Public power service territories, and the transmission and distribution networks within them, do not follow county lines; a single storm, and a single utility's restoration effort, routinely span many counties. County-by-county thresholds can fragment genuine damage into smaller sub-threshold pieces, producing the result that a state and certain counties are declared while other counties within the same service territory with significant utility damage are not. LPPC's 2025 benchmarking survey reflects this concern, with members suggesting a regional threshold would be a better measure.

The Council also proposes establishing an annual calendar-year state minimum expenditure threshold that must be reached before a state may request a federal declaration (Final Report, pp. 8, 33). The Final Report directs readers to Appendix A for the specific dollar thresholds applicable to small, medium, and large states; Appendix A on pages 16-17 contains only the cost-share comparison table and the cost-share increase criteria, so the actual thresholds are not in the appendix and the proposal is incomplete as filed.

Beyond the missing specifications, the design itself raises two concerns from a public power perspective. First, disaster damage does not accumulate across a calendar year at the recipient level. A utility, locality, or other applicant hit by a major event early in the calendar year would absorb its damage against a state-level annual threshold that the state had not yet approached, while a comparably damaged applicant hit later in the same year, after the state had crossed the threshold from prior events, would be eligible for federal assistance. Two recipients with the same damage from the same kind of event would receive different federal treatment based solely on calendar timing. Second, the proposal assumes a state backstop that may not exist. Where federal assistance is not triggered, the implicit expectation is that the state would step in to assist its impacted communities; that assumption is unreliable, because not every state maintains standing disaster relief funds or the political and administrative structure to direct relief to specific affected applicants on a comparable timeline. The threshold thus risks transferring real cost to individual recipients, not just to states. Like the RAPID basis gap and the proposed cost-share floor, an annual state expenditure threshold introduces randomness in who recovers federal disaster assistance.

Recommendation. Consistent with LPPC's May 2025 comments, FEMA should consider a regional cost threshold for program eligibility, in addition to its existing statewide and county

indicators, so that declaration criteria reflect the multi-county geography of utility systems and the aggregate damage a disaster actually causes. FEMA should also consider treating a utility's entire contiguous service territory as eligible where part of that territory lies in a declared area, so that restoration of one interconnected system is not split by county lines. Any annual state minimum expenditure mechanism, before it can be evaluated, must specify the actual thresholds for small, medium, and large states that Appendix A leaves unstated. Once specified, the mechanism should be designed to avoid penalizing individual recipients based solely on the calendar timing of an event, and should not assume a state backstop where one is not in place.

H. Procurement, Environmental Review, Audit, and Closeout

LPPC supports several of the Final Report's process reforms. Greater use of state procurement, environmental, and construction review, reduction of duplicative inspections, certified audit-based closeout, and faster cash flow are all worth pursuing. These reforms rely on processes that applicants and states must operate in any event, and they remove a duplicative layer of federal review.

One specific area deserves attention: the proportionality of oversight. Members report that the administrative burden of FEMA reimbursement often bears little relation to the dollar value or risk of the item involved. Requirements such as itemized sign-in records to document the cost of meals for individual mutual aid crew members consume effort out of all proportion to the amounts at stake, leading to additional time and cost for both FEMA and the grantee. This is not an isolated complaint: in LPPC's 2025 benchmarking survey, 86 percent of the 24 responding member utilities identified complex applications and documentation requirements as a challenge in accessing FEMA funds, every respondent favored a simplified application process, and 91 percent sought faster approval and disbursement timelines. The same proportionality concern applies at the other end of the process. Long closeouts followed by Inspector General review years later require a utility to defend costs after the FEMA staff who worked the disaster have turned over and the utility's own institutional memory has faded. For example, an LPPC member's insurance duplication-of-benefits matter has remained unresolved for more than fourteen years and is expected to conclude only at final FEMA closeout. By then, both the FEMA personnel who managed the original claim and nearly everyone at the utility who worked on it will be gone. Timely, final closeout protects taxpayers and applicants alike, and H.R. 4669's finality protections are a constructive model.

Recommendation. H.R. 4669 and the Final Report both take useful steps on oversight: H.R. 4669 strengthens closeouts and modernizes disaster-management cost rules, and the Final Report recommends certified audit-based closeout and clearing the backlog of open disasters. Neither, however, makes the documentation burden proportionate within a project. The burden today falls uniformly across cost categories, so a utility can spend as much effort substantiating a minor category, such as itemized meal records for mutual aid crews, as it spends on the major repair costs that drive the claim. LPPC recommends a draftable fix: for low-dollar, low-risk cost categories, FEMA should accept simplified substantiation, a standardized rate, a certified

attestation, or risk-based audit sampling, rather than item-by-item documentation, reserving full documentation for the cost categories that carry material financial risk. This directs compliance effort to where the money and the risk actually are. It should be pursued independently of any decision on parametric funding or the federal cost share.

I. FEMA Staffing and Utility Expertise

LPPC members have directly experienced FEMA's staffing shortfalls and high personnel turnover. In LPPC's surveys of its members, the lack of FEMA staff continuity and electric-utility expertise was raised repeatedly; one member reported working with six different FEMA representatives on a single claim. Recovery operations are frequently handled by personnel unfamiliar with electric utility operations, and those personnel rotate frequently, which forces utilities to re-orient new staff in the middle of a claim and contributes to inconsistent eligibility determinations across events and regions.

The Final Report's own assessment confirms the scale of the staffing problem. Appendix D reports that at the start of FY2022 FEMA had approximately 11,400 disaster employees against a staffing goal of 17,670, a shortfall of roughly 35 percent, and identifies a persistent shortage of experienced staff as a factor in FEMA's performance. The Final Report's workforce recommendation, however, calls for a leaner, coordination-focused workforce, staffing efficiencies, and a strategic review of staffing levels conducted over a two-to-three-year period.

The expertise gap also carries a direct cost that a reform focused on reducing federal expense should weigh. Today, LPPC member utilities routinely employ specialists and outside experts to research regional inconsistencies in FEMA's application and documentation practices and to help train FEMA staff in the field. Because the cost of those specialists is often eligible for reimbursement as a project or management expense, a significant share is charged back to FEMA. In other words, FEMA already pays, indirectly, for the expertise it does not retain in-house. LPPC agrees with the Final Report on a key point here. The Final Report's own administrative-cost recommendations call for FEMA to provide direct, in-house technical assistance so as to reduce reliance on third-party contractors (Final Report, p. 53). LPPC supports that approach and urges that it expressly include electric-utility expertise: the in-house capability the Final Report recommends is precisely what a dedicated utility-focused FEMA function would provide. One caution follows from it, however. Reducing consultant dependence is a benefit only if the expertise is genuinely built somewhere. Moving grant administration to states does not eliminate the need; it relocates it to agencies with no greater electric-utility expertise than FEMA. The Final Report itself reflects the underlying dynamic, recounting a FEMA official in Puerto Rico who observed that hundreds of contracted positions "would not be needed if FEMA's grant process was not so complex" (Final Report, p. 12). Building and retaining utility expertise within FEMA would lower compliance costs for both the agency and applicants while improving consistency.

LPPC's experience, and the specific recommendations of its members, are the basis for its central request here: a dedicated, utility-focused FEMA function that provides standing electric-utility expertise, utility-specific guidance and templates, and continuity of

knowledgeable staff, so that institutional understanding of utility restoration does not reset with each personnel rotation. Although utility claims are a relatively small share of FEMA's overall caseload, electric utilities are first responders that provide an essential public service and are party to virtually every major disaster recovery, which is precisely why utility expertise should be built into FEMA as a standing capability rather than reassembled event by event. LPPC made this same recommendation to the Council in May 2025, and its members have specifically proposed a standing utility-coordination position or recovery unit within FEMA's Office of Response and Recovery. LPPC is concerned that a leaner workforce, combined with shifting program administration to states, risks deepening the documented staffing and experience deficit or simply relocating it to state agencies that face the same constraints.

Recommendation. Any strategic staffing review should be conducted on a requirements basis and should preserve adequate staffing and electric-utility expertise. LPPC further recommends that a dedicated utility-focused FEMA unit be established directly by statute, rather than left to emerge from a general review of burdensome regulations or from discretionary staffing decisions, and urges the Council to recommend that approach. Such a unit should provide a permanent point of contact, train FEMA staff on utility operations, and promote consistent eligibility determinations across regions. Any expanded state role should be matched by the staffing capacity and electric-utility expertise required to administer it.

J. Pre-Positioning and Mutual Aid

For public power, pre-event staging, transporting, and pre-positioning of crews and equipment are central to rapid restoration and public safety. By the time a storm's path and intensity are certain, it is often too late to position resources where they will do the most good. Current practice already treats these prudent measures unfavorably, and the Final Report would make the problem worse: under a parametric model, a near-miss event that does not reach the trigger would produce no payout, leaving prudently incurred pre-positioning costs unfunded.

Under Section 403 of the Stafford Act and FEMA's implementing regulations, pre-positioning costs are generally eligible only if the pre-positioned resources are ultimately used in emergency work. The principal regulatory exception is for resources pre-positioned for evacuation and sheltering, which can be eligible even if not used. The exception turns on the type of activity, not on the type of applicant; no parallel exception covers pre-positioning to restore essential public services like electricity, even though the same forecast-based judgment underlies both. A utility that stages crews and equipment ahead of a forecasted hurricane that then shifts track can therefore be left without reimbursement for a reasonable and prudent decision. The rule penalizes exactly the proactive action that speeds restoration of an essential public service.

This is not an isolated problem, and members can illustrate its scale. One LPPC member incurred roughly $18 million pre-positioning off-system crews ahead of a forecasted severe storm and, after a four-year FEMA claim process, recovered only about $5 million, because crews staged in areas the storm ultimately spared were treated as unused. Another member incurred nearly $50 million preparing for a forecasted direct-hit hurricane that shifted offshore

within hours of landfall; because little damage resulted, the county-level threshold was not met, and these costs were paid by ratepayers, diminishing the ability to prudently pre-stage for future events. In a survey of LPPC members on this issue, every responding utility supported amending the Stafford Act to make prudent pre-positioning costs eligible.

That eligibility is not flatly unavailable; it is unsettled, and it has had to be won case by case. In a recent FEMA arbitration, an electric cooperative obtained a ruling that pre-positioning out-of-area crews ahead of a major hurricane was an eligible emergency protective measure, and FEMA was ordered to reimburse those costs. The arbitration panel rejected FEMA's categorical position that it can never reimburse pre-positioning when the resources are not ultimately used, holding that the reasonableness of the decision must be judged on the information available when it was made. But that outcome required a lengthy, fact-specific arbitration, and the panel itself stated that its decision is not precedential and binds only the parties. Other utilities still must litigate the same question themselves.[3]

Recommendation. Reform should extend the existing activity-based framework by clarifying by statute that reasonable, prudently incurred pre-positioning, staging, transportation, and mutual aid costs are eligible for federal assistance in response to a forecasted event, including where the pre-positioned resources are not ultimately used because the event changes, so that uniform rules replace case-by-case arbitration and reform strengthens rather than discourages the mutual aid on which public power restoration depends. LPPC's proposed statutory language to accomplish this is set out in Appendix A.

VI. Conclusion

LPPC appreciates the opportunity to comment and shares the Council's goal of a faster, clearer, and more accountable disaster recovery system. Many of the problems the Final Report identifies are also addressed by H.R. 4669, the Fixing Emergency Management for Americans Act of 2025, which LPPC has endorsed and which Congress is considering. LPPC offers these comments so that whatever reform is adopted, by the Council, by Congress, or both, delivers the speed and simplicity all parties seek.

One point organizes everything above: recovery can be made faster without severing the link between documented damage and federal assistance, and without shifting unpredictable cost and risk onto disaster-struck communities and their ratepayers. LPPC welcomes the opportunity to provide further detail, including member disaster-cost data, to inform the design of any reformed recovery and mitigation program.

Respectfully submitted,
Large Public Power Council

[3]In the Matter of Sumter Electric Cooperative, Inc., CBCA 8352-FEMA (May 22, 2025).

Appendix A. Proposed Statutory Language: Pre-Positioning Activities

The following is LPPC's proposed statutory language to clarify the eligibility of prudent pre-positioning costs, referenced in Section V.J. It would amend Section 403 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b) and direct conforming revisions to FEMA's regulations. In the proposed text below, bold type indicates language LPPC proposes to add; this appendix proposes new statutory language only and contains no deletions.

Proposed Text

(a) Sense of Congress. It is the sense of Congress that the pre-positioning of personnel, equipment, and supplies facilitates timely and effective responses to emergencies and mitigates threats to life, public health, safety, and property. Federal financial assistance should be available for costs associated with the reasonable, strategic pre-positioning of personnel, equipment, and supplies in response to an emergency declaration by the President. Further, the nature of an emergency may change following a declaration, such that certain pre-positioned resources may no longer be needed; nevertheless, reasonable and prudently incurred costs associated with such strategic pre-positioning should remain eligible for federal funding even where the resources are not ultimately used, because denying eligibility in these circumstances would discourage proactive measures that protect critical infrastructure, reduce damage, and speed restoration for affected communities.

(b) Pre-Positioning. (1) Section 403 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b) is amended by inserting after subsection 403(a)(3)(J) the following: "(K) reasonable pre-positioning of personnel, equipment, and supplies in response to an emergency declaration by the President."

(2) The Administrator of the Federal Emergency Management Agency shall revise part 206 of title 44, Code of Federal Regulations, including subpart H, to include the reasonable pre-positioning of personnel, equipment, and supplies for the anticipated performance of eligible emergency work in response to an emergency declaration by the President among the types of work and costs eligible for federal financial assistance.

(3) Reasonably incurred costs associated with such pre-positioning shall remain eligible for federal financial assistance, including cost reimbursement, even where the pre-positioned personnel, equipment, and supplies are not ultimately used in or required for the performance of eligible emergency work or protective measures due to a change in the nature, duration, or location of the emergency.

(c) Revisions to Guidance, Policies, and Regulations. The Administrator shall rescind or revise any guidance, policies, or regulations in effect on the date of enactment of this Act as necessary to implement the amendments and revisions required by subsection (b).

Appendix B. Proposed Statutory Language: Building Codes and Utility Standards

The following is LPPC's proposed statutory language to recognize utility standards alongside applicable building codes, referenced in Section V.D. It would revise the rebuilding and federal permitting provisions of H.R. 4669 so that necessary mitigation for permanent repairs can be included directly in Section 409 project grants rather than routed into slower, parallel mitigation programs. In the proposed text below, bold type indicates language LPPC proposes to add to the bill, and struck-through type indicates language LPPC proposes to delete; text in regular type is existing H.R. 4669 language shown for context.

Proposed Text

Sec. 101. Rebuilding Public Infrastructure.

(11) Definitions. In this subsection: **(C) Utility Standards. The term "utility standards" means the current design and construction standards of the owner or operator of a public facility damaged or destroyed by a major disaster that are informed by applicable industry standards and practices and that incorporate mitigation measures consistent with disaster risks for the geographical area in which the relevant public facilities will be located.**

(b) Grant Requirements. (1) Use of Grant Funds. Grant funds made ~~to a State, local government, or a person that owns or operates a private nonprofit facility~~ under this section may be used to repair, restore, reconstruct, or replace the facility damaged or destroyed by a major disaster to applicable building codes **and utility standards** as of the time of repair, restoration, reconstruction, or replacement, including incorporating mitigation measures consistent with disaster risks for the geographical area.

(2) Cost Estimation. (A) The amount of a grant shall be determined, without regard to preexisting condition, based on the estimated cost to repair, restore, reconstruct, or replace the facility to applicable building codes **and utility standards** as of the time of the work, developed by an appropriately licensed professional and including the cost of incorporating mitigation measures consistent with disaster risks for the geographical area. (B) Conflicting Standards. In any case in which a building code, mitigation standard**, or utility standard** is in conflict across Federal agencies of a combined funding project, any codes or standards promulgated by the President, through the Administrator, pursuant to this Act shall be applied.

Sec. 104. Federal Permitting Improvement.

(b) Exemptions and Expedited Procedures. (1) Protection of Environment. An action that has the effect of repairing, restoring, reconstructing, or replacing a facility in the same location to applicable building codes **and utility standards** at the time of the work shall not be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969. Nothing in this section shall alter the applicability of that Act to other Federal actions taken under this Act or any other provision of law.

Appendix C. Illustrative Member Examples: Building Codes and Utility Standards

Because of FEMA's like-for-like replacement policy, many public power utilities do not attempt to rebuild facilities to modern utility standards within their base Public Assistance project. Instead they submit separate hazard-mitigation proposals, which add review, cost-effectiveness tests, and delay. As the examples below show, similar upgrades, including replacing wood poles with steel, are sometimes approved as eligible codes-and-standards work for one utility while another must pursue the same upgrade through a separate mitigation grant. The examples are de-identified and illustrate common patterns reported by LPPC members.

Member utility	Reported experience
Utility 1	FEMA approved an upgrade to taller utility poles, rather than like-for-like replacement, as eligible "consensus-based codes and standards" work. Treating the upgrade that way was substantially faster than pursuing the same change through a separate Section 406 hazard-mitigation proposal.
Utility 2	Based on prior experience with the like-for-like policy, this member does not apply to build back to current standards in its Section 406 projects and instead seeks separate Section 404 mitigation funding. For one set of projects, the approval process alone delayed the rebuilding of a dozen flooded substations by more than a year before FEMA approved elevating them.
Utility 3	This member would build a transmission line today using steel poles for resiliency, but under the like-for-like policy FEMA would pay only to replace a damaged wood line with wood. The member had to either accept a less-resilient design than its current standards or seek a separate mitigation grant.
Utility 4	FEMA generally replaces like-for-like under a Section 406 grant; when the member's current standards would call for a higher standard, it must apply for a separate mitigation grant. Some requests are denied because FEMA's benefit-cost analysis, run with limited utility input, finds the upgrade not cost-effective, even though the alternative is rebuilding to an older standard the member would no longer choose.
Utility 5	This member has had pole replacements questioned and then approved after explaining that the upgraded poles are required under modern codes and standards. Separately, the same member has applied for mitigation funding several times and been denied, reinforcing the uncertainty of building to current utility standards.