#### STATE OF MICHIGAN

#### BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion, regarding the award of grants under the renewable energy and electrification infrastructure enhancement) and development grant program pursuant to Public Act 119 of 2023.

Case No. U-21781

At the September 26, 2024 meeting of the Michigan Public Service Commission in Lansing, Michigan.

> PRESENT: Hon. Daniel C. Scripps, Chair Hon. Katherine L. Peretick, Commissioner Hon. Alessandra R. Carreon, Commissioner

#### ORDER

On July 31, 2023, Governor Gretchen Whitmer signed Public Act 119 of 2023 (Act 119), a

supplemental appropriations act which went into effect on August 1, 2023. Article 10, Part 1,

Section 111 of Act 119 makes a one-time appropriation of \$21.3 million for renewable energy and

electrification infrastructure enhancement and development (RE-EIED), of which \$20.8 million is

available to be awarded. Article 10, Part 2, Section 1005 of Act 119 (Section 1005) provides as

follows:

(1) From the funds appropriated in part 1 for renewable energy and electrification infrastructure enhancement and development, except as otherwise provided in subsection (11), funding must be expended only for grants to businesses, nonprofit organizations, and local units of government for the purpose of planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects.

(2) From the total amount of funding for grants awarded under this section for electric vehicle fast-charging infrastructure, 25% of the total amount must be

allocated for infrastructure that provides charging at a power level of 350 kilowatts or less and 75% of the total amount must be allocated for infrastructure that provides charging at a power level of at least 350 kilowatts.

(3) The Michigan public service commission shall develop guidelines for the grant program described in subsection (1) and implement an application process for the grant program not later than 6 months after the effective date of this act and must first prioritize and approve grants that meet the goals of the governor's MI healthy climate plan.

(4) Grant applicants must perform an impact study that includes an analysis of potential cost savings, environmental impacts, and local economic benefits of the proposed renewable energy and electrification infrastructure project. A utility, at its sole discretion, may prepare a single impact study covering the utility's service territory that accounts for likely proposals, evaluates regional opportunities, and minimizes or eliminates the need for repetitive studies. Sufficient detail must be provided in the study to allow the Michigan public service commission to evaluate each proposed project, including how the proposed project will align with the governor's MI healthy climate plan.

(5) An applicant applying for a grant to be used to develop RNG [renewable natural gas] infrastructure shall include all of the following when submitting an application:

(a) The project details, including the location of biogas and the proposed interconnection.

(b) The cost estimates for the interconnection, metering, and gas conditioning equipment needed to connect to an existing pipeline system.

(c) A summary of the environmental and health impacts of the project, including the forecasted emission reductions.

(d) Any local economic impact from the RNG infrastructure development.

(e) The end-use application for the RNG infrastructure with a focus on projects being used for opportunities in this state.

(6) After receiving an application under this section, the Michigan public service commission must allow local units of government, environmental groups, and business interests directly affected by the proposal 45 days to review the application and provide comments. The Michigan public service commission must give the applicant 15 days after the comments have been received from interested parties, at the applicant's discretion, to modify or maintain the applicant's initial proposal.
(7) The Michigan public service commission must review all proposals and award grants to applicants it determines have met the criteria in this section. All grants must include full and timely cost recovery from the fund for the infrastructure requirements of the affected utility made necessary by the grant.

(8) Grant recipients under this section must submit a report to the Michigan public service commission detailing how the grant money was used not later than 30 days after the completion of the relevant project.

(9) The unexpended funds appropriated in part 1 for renewable energy and electrification infrastructure enhancement and development are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects

under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support renewable energy and electrification infrastructure projects.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is \$21,300,000.00.

(d) The tentative completion date is September 30, 2028.

(10) The funds appropriated in part 1 for renewable energy and electrification infrastructure enhancement and development must not be used to expand the use of conventional natural gas.

(11) From the funds appropriated in part 1 for renewable energy and electrification infrastructure enhancement and development, the Michigan public service commission shall not use more than \$500,000.00, upon awarding of the grants, for administrative-related expenses incurred by the commission for the operation of the grant program. Funds supporting the grant program are appropriated in the Michigan public service commission upon awarding of the grants.

(12) As used in this section:

(a) "Renewable energy and electrification infrastructure projects" includes, but is not limited to, renewable natural gas facilities and electric vehicle fast-charging infrastructure upgrades within 1 mile of a United States highway or state trunkline roadway.

(b) "Renewable natural gas" or "RNG" means methane derived from organic material and degradable carbon sources, including, but not limited to, carbon sources and materials sourced from municipal solid waste, plant materials, or food waste.

Pursuant to Section 1005, the Commission Staff (Staff) established the "Renewable Energy

and Electrification Infrastructure Enhancement and Development Grant" webpage within the

Commission's website. The Staff also drafted a proposed Request for Proposals (RFP), which

contains additional eligibility criteria, and which was made available for review and comment by

interested persons. After review of the comments, the Commission made the RFP available to

potential applicants on December 20, 2023, through the Commission's RE-EIED grant webpage.<sup>1</sup>

The Commission's webpage also provides the following timeline:

<sup>&</sup>lt;sup>1</sup> See, <u>https://www.michigan.gov/mpsc/commission/re-eied-grant</u> (accessed August 28, 2024). The RFP and other documents are available on the grant webpage.

RE-EIED Grant RFP Posted	December 20, 2023
Inquiries due (round one)	January 11, 2024
Responses to Inquiries posted to grant webpage	January 19, 2024
Inquiries due (round two)	January 26, 2024
Responses to Inquiries posted to grant webpage	February 5, 2024
Proposals due	February 21, 2024
Proposals posted publicly to the grant webpage	February 28, 2024
Public comment period end date	April 12, 2024
Modified proposals due	April 29, 2024
Modified proposals posted publicly to the grant webpage	May 1, 2024
Anticipated Announcement of Grant Awards	September 2024
Anticipated grant start date	November 15, 2024
Grant Completion Date	August 15, 2026

On February 21, 2024, the Commission received 52 grant proposals which were posted to the

website on February 28, 2024. The 52 proposals totaled over \$147 million in grants. Several

comments were received during the required 45-day comment period. In response to the

comments, 9 of the 52 proposals were modified and the modified versions were posted to the

website on May 1, 2024.

The Commission expresses its appreciation to the applicants for providing thoughtful

proposals. In awarding the grants, the Commission applied the criteria outlined in the statute and

the RFP. Based on its review of the applications, the Commission awards the following grants:

- 1. Alpena Community College: Farming the Sun Solar Array project \$4,617,772.00
- 2. Bay Area Transportation Authority: Rooftop Solar project \$795,673.05
- 3. Boys & Girls Club Grand Rapids Youth Commonwealth: Steil Club Electrification and Microgrid project \$1,283,827.00
- 4. City of Ann Arbor: Bryant Neighborhood Decarbonization project \$3,115,600.00
- 5. Consumers Energy: Network Geothermal Planning project \$425,000.00
- 6. Eco Works (Conner): Capuchin Soup Kitchen Solar/Battery/Energy Storage Technologies project \$226,194.00
- Eco Works (Meldrum): Capuchin Soup Kitchen Solar/Battery/Energy Storage Technologies project – \$256,918.00

- 8. Eco Works (Service Center): Capuchin Soup Kitchen Solar/Battery/Energy Storage Technologies project \$379,483.00
- 9. Eco Works (SDM2): Education Center Solar/Heat Pump/Energy Storage Technologies project \$146,393.00
- 10. Electric City ESS (Sturgis): Battery Storage Facility project \$1,047,266.74
- 11. Kalamazoo Nature Center: Sustainable Mobility Hub project \$1,290,274.63
- 12. Keweenaw Bay Indian Community: NRD Locations Solar and Battery Storage project \$726,870.58
- 13. Lansing Board of Water and Light: Justice 40 Communities Hometown Energy Planning program \$734,868.00
- 14. Lansing School District: Gier Park Elementary Rooftop Solar project \$280,521.00
- 15. Pewamo Westphalia Community Schools: Solar Array project \$979,476.00
- 16. Pioneer Resources: Facility Solar project \$600,000.00
- 17. Solar Tonic/Soulardarity: Community Solar LED Smart Poles and WiFi project \$1,289,421.00
- 18. Vicinity Energy: District Energy System Electrification project \$2,064,750.00
- 19. Ypsilanti Performance Space: Solar EV Charging Stations project \$539,692.00

The total amount of RE-EIED grants awarded is approximately \$20.8 million. The Commission understands that communication with grantees is already underway, with an anticipated grant start date of November 15, 2024. The Commission directs the Staff to complete the necessary grant agreement documents with the grantees. As always, the grants are contingent upon review and approval of the State Administrative Board.

#### THEREFORE, IT IS ORDERED that:

A. Contingent upon review and approval of the State Administrative Board, the following grants for a total of approximately \$20.8 million are approved for disbursement as Renewable

Energy and Electrification Infrastructure Enhancement and Development grants beginning

November 15, 2024:

- 1. Alpena Community College: Farming the Sun Solar Array project \$4,617,772.00
- 2. Bay Area Transportation Authority: Rooftop Solar project \$795,673.05
- 3. Boys & Girls Club Grand Rapids Youth Commonwealth: Steil Club Electrification and Microgrid project \$1,283,827.00
- 4. City of Ann Arbor: Bryant Neighborhood Decarbonization project \$3,115,600.00
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18. Vicinity Energy: District Energy System Electrification project – \$2,064,750.00

19. Ypsilanti Performance Space: Solar EV Charging Stations project - \$539,692.00

B. The Commission Staff shall complete the necessary grant agreement documents with the grantees.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at <u>LARA-MPSC-</u> <u>Edockets@michigan.gov</u> and to the Michigan Department of Attorney General - Public Service Division at <u>sheac1@michigan.gov</u>. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

### MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Alessandra R. Carreon, Commissioner

By its action of September 26, 2024.

Lisa Felice, Executive Secretary

# PROOF OF SERVICE

STATE OF MICHIGAN )

Case No. U-21781

County of Ingham

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Brianna Brown being duly sworn, deposes and says that on September 26, 2024 A.D. she

electronically notified the attached list of this Commission Order via e-mail transmission,

to the persons as shown on the attached service list (Listserv Distribution List).

Brianna

Subscribed and sworn to before me this 26<sup>th</sup> day of September 2024.

Angela P. Sanderson Notary Public, Shiawassee County, Michigan As acting in Eaton County My Commission Expires: May 21, 2030

# **GEMOTION DISTRIBUTION SERVICE LIST**

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## **GEMOTION DISTRIBUTION SERVICE LIST**

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Premier Energy Marketing LLC Presque Isle Electric & Gas Cooperative, INC Presque Isle Electric & Gas Cooperative, INC Realgy Corp. **Realgy Energy Services** Santana Energy Santana Energy Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp) Stephenson Utilities Department Superior Energy Company Texas Retail Energy, LLC **Thumb Electric Cooperative** Upper Michigan Energy Resources Corporation Upper Michigan Energy Resources Corporation Upper Peninsula Power Company **Upper Peninsula Power Company** Village of Baraga Village of Clinton **Volunteer Energy Services** Wabash Valley Power Wolverine Power Wood, Amanda **Xcel Energy Xcel Energy**