

Attachment A: Program Cover Page

Date: October 12, 2023

On behalf of the State of Michigan (MI), the Michigan Department of Environment, Great Lakes, and Energy's (EGLE) Office of Climate and Energy (OCE) is pleased to submit the attached Program Narrative for Michigan's Greenhouse Gas Reduction Fund, Solar for All (SFA) Application: **Michigan (MI) Healthy Solar for All**. The MI Healthy Solar for All program will help meet Michigan's commitment to reaching carbon neutrality by 2050 and reducing greenhouse gas emissions by 50-52% by 2030 while doing so in a just and equitable manner, as outlined in Governor Whitmer's MI Healthy Climate Plan.

1. Program Title: Michigan (MI) Healthy Solar for All

2. Program Summary:

The MI Healthy Solar for All program is a strategic step towards achieving climate and environmental justice as outlined in the MI Healthy Climate Plan. This comprehensive statewide initiative is designed to deploy residential rooftop and community-serving solar projects to serve approximately 30,000 low-income and disadvantaged community (LIDAC) households across the state. By addressing existing barriers, the program aims to increase accessibility to solar energy for eligible households. Through collaborative planning, the State will establish specific criteria for financial and technical assistance that best serves Michigan's LIDAC households and maximizes the use of complementary public and private funding sources to support residential rooftop and community solar installation, as well as storage and enabling upgrades for homes in need. Through intentional collaboration and comprehensive planning, the State will ensure the MI Healthy Solar for All program not only creates a sustainable program to deploy solar across the State, but also fosters a more equitable energy transition for Michigan.

3. Applicant Name: State of Michigan, Department of Environment, Great Lakes, and Energy

4. Award Option Type: Award Option #1, Medium Program

Under Award Option #1 and within the medium program category, the MI Healthy Solar for All program will cover the entire geography of the State of Michigan and maximize access to the program for all of Michigan's eligible households. The total population of census tracts identified as low-income and/or disadvantaged through the Climate and Energy Justice Screening Tool (CEJST) tool is 3,014,224. The State seeks to serve this entire population through the MI Healthy Solar for All program. Based on the eligibility criteria in the Notice of Funding Opportunity, the State is applying for \$250,000,000, the highest amount of funding for a medium program. The estimated beginning and end dates of the program will be July 1, 2024 and June 30, 2029.

5. Applicant Eligibility: State of Michigan

6. Program Location: The MI Healthy Solar for All program covers the entire state of Michigan.

7. Program Scope of Work:

The MI Solar for All program will provide grants and other financial assistance to residential rooftop and residential-serving community solar projects serving residents in selected

LIDAC households. To meet program goals and maximize program impact for LIDACs, Michigan will provide related technical assistance and direct financial assistance.

The technical assistance strategy focuses on investing resources in developing a robust workforce and diverse contractor network, providing direct support for tools and relevant studies, and navigation of local challenges to permitting, siting, and interconnection processes. The technical assistance strategy will provide direct financial support to community-based organizations to develop capacity to aid in implementation and will work closely with existing technical assistance resources provided by the EPA, DOE, and other entities in Michigan.

The financial assistance strategy will maximize program-wide impact, leverage private capital, prioritize taking advantage of tax credits, and provide access to solar for communities in most need, and ensure that all participants receive at least 20% savings and receive significant meaningful benefits, including ownership and wealth-building opportunities. To realize these strategic objectives, the financial assistance strategy will leverage a combination of up to 100% grant funding, lease-to-own structures, and low-cost loans for residential rooftop solar, as well as community solar. The design and eligibility for these products will be determined based on a variety of prioritization criteria during the planning year.

The following summarizes the budget breakdown at a high-level for both the financial assistance strategy and the technical assistance strategy. The MI Healthy Solar for All program plans to allocate a minimum of 75% (\$187,500,000) of the requested SFA funds (\$250,000,000) to the financial assistance strategy. Michigan will allocate at least 80% (\$150,000,000) of the financial assistance strategy funds to deploy residential rooftop solar, residential-serving community solar, and associated storage, and will utilize the remaining 20% (\$37,500,000) or less to fund enabling upgrades. 25% (\$62,500,000) of the funding will be used for Project-Deployment Technical Assistance and Program Administration. *The narrative includes more financial planning and budget detail.*

8. EPA Funding Requested: \$250,000,000 (*Program size and funding requested were updated per August 31, 2023 guidance*)

9. Population of census tracts identified by CEJST as disadvantaged:

The market environment for residential-serving distributed solar and storage deployment in Michigan is ready to serve the state's 3,014,224 LIDAC population, as well as the 44,376 people in partially disadvantaged areas, constituting 1,648,738 households below the 80% average median income (AMI). These households comprise over 37% of total households across Michigan.

10. Impact Targets and Overarching Objectives:

The **MI Healthy Solar for All** proposal is designed with three key objectives in mind:

- **Objective 1:** Reduce GHG emissions and other air pollutants.
- **Objective 2:** Deliver the benefits of projects that reduce GHG emissions and other air pollutants to LIDAC communities.
- **Objective 3:** Mobilize financing and private capital to stimulate additional deployment of projects that reduce GHG emissions and other air pollutants for the benefit of LIDAC households.

Over the five-year program, the expected impacts of the program are as follows (see Table 1 and the Program Narrative for more detail):

- 29,574 households served, with an average of \$6,340 in funding awarded per household through various financial incentives offered by MI Healthy Solar for All.
- A total of 355 MW of solar capacity deployed, with an average of \$488,588 in funding awarded through various financial incentives per MW of solar capacity.
- A total of 16 MWh of storage capacity deployed, with an average of \$854,701 in funding awarded through various financial incentives per MWh of battery storage.
- Cumulative average household bill savings over time as \$11,612 for rooftop solar households and \$9,000 for community solar households, with a funding award estimate of \$21,530 per cumulative savings for rooftop solar and \$27,778 per cumulative savings for community solar.
- A total of 565,000 short tons of annual CO₂ emissions avoided.

Additionally, over the estimated 25-year lifetime of MI Healthy Solar for All projects, households with rooftop solar arrays are projected to save approximately \$12,000, while those with community solar are projected to save around \$9,000.

Table 1: Outputs and Outcomes Summary

Outputs and Outcomes	Rooftop	Community	Overall
Households (HH) targeted	5,696	23,878	29,574
Funding per HH (\$ USD 2023)	\$13,606	\$4,607	\$6,340
Megawatt (MW) of solar capacity to be deployed over the 5 years	27	328	355
Funding per MW of solar capacity	\$2,325,036	\$335,577	\$488,588
Megawatt hours (MWh) of battery storage to be deployed over the 5 years	16	N/A	16
Funding (\$ USD 2023) per MWh of battery storage	\$854,701	N/A	\$854,701
Annual average HH bill savings over the solar installation lifetime of 25 years (\$ USD 2023)	\$464	\$360	
Cumulative average HH bill savings over the solar installation lifetime of 25 years (\$ USD 2023)	\$11,612	\$9,000	
Funding per cumulative HH savings (\$ USD 2023)	\$21,530	\$27,778	
Total (short tons) of CO ₂ emissions avoided over the five years	37,080	527,430	564,510

11. **Program Period:** The estimated beginning and end dates of the program will be July 1, 2024 and June 30, 2029.

12. **Contact Information:**

Primary Contact:	Cory Connolly
Title:	Climate and Energy Advisor
Department/Office:	Department of Environment, Great Lakes, and Energy/Office of Climate and Energy
Email:	Connollyc3@michigan.gov
Phone:	517-881-8972
Secondary Contact:	Paul McDonald
Title:	Finance Division Director
Department/Office:	Department of Environment, Great Lakes, and Energy
Email:	mcdonaldp@michigan.gov
Phone:	517-284-5003

13. Coalition Partners: Not applicable.

14. Named Contractors: Not applicable.

15. Additional Named Subrecipients: Not applicable.

Statewide Collaboration and Commitment (supplemental to 13-15):

The MI Healthy Solar for All program application does not include any formal coalition partners, named contractors, or subrecipients; however, throughout the application development period, the State has collaborated with various public and private stakeholders that have helped develop the design of the program and committed to working with the State throughout the planning and implementation period of the MI Healthy Solar for All program.

EGLE has been in discussion with other entities that submitted a notice of intent and has incorporated their feedback into this application. To ensure a coordinated approach, the state of Michigan plans to partner with community-based organizations, local governments, and other stakeholders – including by providing funding to select partners – after the SFA awards have been announced (reference Attachment I, J, K, and L, Letters of Support).

Respectfully,

Cory Connolly
Climate & Energy Advisor
connollyc3@michigan.gov
517-881-8972
Office of Climate and Energy
Department of Environment, Great Lakes, & Energy



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1 Program Strategy Narrative

1.1 Impact Assessment

The MI Healthy Solar for All program, to be designed and operated by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) with program implementation support from a third-party administrator, intends to maximize participation among low-income households in Michigan, especially those historically underserved by public and private institutions. Delivering solar, and in certain cases, storage to these households is vital to improving equity by bolstering the economic health and quality of life in these communities. Solar, especially when paired with storage, provides household energy savings and other meaningful benefits such as pollution abatement, improved grid reliability, improved economic outcomes for low-income and disadvantaged communities (LIDAC) households, investment in local businesses, and an increase in high-quality local workforce development opportunities.

This section (1) introduces the eligible LIDAC households in Michigan, (2) details the intended impact and targets of the **MI Healthy Solar for All** program across nearly 30,000 households, (3) eligible households (energy burden and household type), (4) the current state of residential solar and existing community solar programs for LIDACs in Michigan, (5) the data and tools needed to supply this information for the application and program implementation, and (6) the program award design criteria. Barriers to implementation success, including market, technical, and administrative challenges are addressed in each section of this narrative (see sections 1.2, 1.4, 1.5, 1.6, 2.3).

1.1.1 Michigan’s Low-Income and Disadvantaged Communities (LIDAC)

The market environment for residential-serving distributed solar and storage deployment in Michigan is ready to serve the state’s 3,014,224 LIDAC population as well as the 44,376 people

in partially disadvantaged areas,¹ constituting 1,648,738 households below the 80% average median income (AMI). These households comprise over 37% of total households across Michigan.² During program implementation the State of Michigan (SOM) will utilize well-developed existing programs and relationships to identify and engage LIDAC households to ensure maximum impact and reachability of financial assistance. For example, Michigan will leverage the Michigan Public Service Commission’s (MPSC) Energy Waste Reduction (EWR) Low Income Workgroup and Low-Income Energy Policy Board, the Michigan Advisory Council on Environmental Justice (MACEJ), and programs through the Michigan State Housing Development Authority (MSHDA).

1.1.2 Program Impact, Outputs, and Outcomes

Using the requested funding, the **MI Healthy Solar for All** program expects to achieve no less than the output and outcome targets in Table 1. These outputs and outcomes were derived by considering how to maximize program-wide impact in delivering greenhouse gas (GHG) reductions and reaching the highest number of households with either residential rooftop solar or community solar. Simultaneously, the outputs and outcomes consider delivering the most meaningful benefits to those households facing the greatest inequities, such as high energy burden and lack of grid reliability, by providing more direct grant financing of rooftop systems, and by designing prioritization criteria to ensure the most burdened multifamily households have access to community solar.

Table 1: Outputs and Outcomes Summary

Outputs and Outcomes	Rooftop	Community	Overall
Households (HH) targeted	5,696	23,878	29,574
Funding per HH (\$ USD 2023)	\$13,606	\$4,607	\$6,340
Megawatt (MW) of solar capacity to be deployed over the 5 years	27	328	355
Funding per MW of solar capacity	\$2,325,036	\$335,577	\$488,588 ³
Megawatt hours (MWh) of battery storage to be deployed over the 5 years	16	N/A ⁴	16
Funding (\$ USD 2023) per MWh of battery storage	\$854,701	N/A ⁵	\$854,701
Annual average HH bill savings over the solar installation lifetime of 25 years (\$ USD 2023)	\$464 ⁶	\$360 ⁷	

¹ Identified using the CEJST, U.S. Climate Resilience Toolkit; where partial is 1-99% of Tract

² [U.S. Census Bureau QuickFacts: Michigan](#)

³ Weighted average across rooftop and community funding per MW

⁴ Zero MWh of community solar plus storage projected; however, during the planning period battery storage may be considered where community solar projects align with battery storage prioritization criteria.

⁵ Zero MWh of community solar plus storage projected; however, during the planning period battery storage may be considered where community solar projects align with battery storage prioritization criteria

⁶ Based on SF owned household annual electricity expenses and projected savings

⁷ Based on all household types being eligible for \$30 average monthly bill credits

Cumulative average HH bill savings over the solar installation lifetime of 25 years (\$ USD 2023)	\$11,612	\$9,000	
Funding per cumulative HH savings (\$ USD 2023)	\$21,530	\$27,778	
Total (short tons) of CO2 emissions avoided over the five years	37,080	527,430	564,510 ⁸

The rationale for these outputs and outcomes is based on state-specific pricing and pilot data contained in sections 1.1.3-4 and assumes that Michigan will receive the full \$250,000,000 Solar for All (SFA) grant award. The upfront cost of systems is priced for residential and community solar respectively and paired with the projected system sizes per household based on National Renewable Energy Laboratory (NREL) market prices. However, Michigan anticipates that targeted households, solar deployment and GHG emission reductions could all significantly increase by leveraging additional public and private sector funding, and in scenarios where state legislation passes to enable community solar, to expand the Michigan renewable portfolio standard (creating a market for renewable energy credits), and/or to increase in the distributed generation (DG) program caps. (see section 1.3.1-5).

The number of 5,696 households receiving rooftop solar systems was determined based on the projected cost of a system sized to achieve 20% savings in household electricity consumption. The target of 23,878 households to be served by community solar was developed using a proxy for the individual household electricity demand. The estimated size needed in kilowatts (kW) per household is based on annual household electricity consumption and 75% of Michigan’s maximum sunlight hours, which is nearly 5kW for the average single-family (SF) owner-occupied LIDAC household.⁹ The projected size of a rooftop solar system is based on household electricity consumption in kWh, which is approximately 5,250 annual kWh for the average SF owner-occupied LIDAC household.

The MW of solar and storage capacity deployed, and funding awarded to rooftop and community solar, is based on Michigan allocating approximately 40% of the \$187,500,000 maximum financial assistance award to single-family rooftop solar developments and 60% to community solar developments that will primarily serve multi-family (MF) and SF renters. The proposed allocation of funding includes a higher proportion for residential-serving community solar to reach a larger number of households and to ensure significant GHG emissions reductions. The allocation of financial assistance for residential rooftop solar includes significant resources for enabling upgrades and battery storage. As such, the rooftop solar portion seeks to deliver significant meaningful benefits to households most in need, maximizing benefits to individual households, including direct household savings, the opportunity for wealth building, and resiliency with storage, among other meaningful benefits.

To reach the households most in need, Michigan’s financial assistance strategy plans to heavily subsidize participation, with the lowest-income participants qualifying for up to 100% subsidy. Based on the outputs and outcomes modeled and the financial assistance strategy, 100% grant coverage is expected for at least 1,126 households who are 0-30% AMI with high energy burden out of the over 5,696 households targeted for rooftop solar. The full financial assistance strategy

⁸ [Avoided Emissions and Generation Tool \(AVERT\) | US EPA](#)

⁹ [Sunlight Hours Rank | TurbineGenerator](#)

is included in section 1.4, including subsidy pricing, leverage ratios, and other factors that inform and influence the outputs and outcomes outlined above.

1.1.3 Household Savings Targets

Household savings have been calculated across the average of SF and MF household types based on the assumptions highlighted in Table 2.¹⁰ Average household savings analyses were calculated to ensure both types can deliver a minimum of 20% direct electricity bill savings annually per household. In Michigan, LIDAC SF owners and renters have similar electricity cost and consumption profiles (\$974 vs. \$1,057 electricity expenses respectively annually) with slightly more variance between MF owners and renters (\$640 and \$451 electricity expenses respectively annually).¹¹

Table 2: Household Electricity Bill Savings by Household and Project Type

Solar Project Type	Single Family	Multi Family	Sources and Assumptions
Annual electricity expenses (\$)	\$974	\$451	Attributed 43% of U.S. Department of Energy’s (DOE) Low-Income Energy Affordability Data (LEAD) Tool ¹² annual energy costs based on the Energy Information Agency’s (EIA) Michigan-specific data ¹³ and average U.S. proportion of electricity to energy consumption ¹⁴
Estimated annual electricity demand (kWh)	5,251	2,431	Annual electricity expenses divided by Michigan’s 2023 average retail electricity rate (\$0.19/kWh) ¹⁵
LCOE (\$/kWh)	\$0.09/kWh	\$0.09/kWh	The levelized cost of electricity (LCOE) for rooftop solar in Michigan was modeled based on the following: <ul style="list-style-type: none"> • System sizes (kW) based on 75% of Michigan sunlight hours, annual electricity demand (kWh) and 0.5% annual degradation in production¹⁶ • A 5kW system costs approximately \$13,000 (~\$2.6/W) before the investment tax credit (ITC) • 25-year lifespan and lease term (conservative assuming full loan where the SFA funding may cover costs – see section

¹⁰ [SES-Sample-Ordinance-final-20211011-single.pdf \(msu.edu\)](#)

¹¹ [LEAD Tool | Department of Energy](#); see Table 2 for assumption on deriving electricity expense from energy costs

¹² [LEAD Tool | Department of Energy](#)

¹³ [Household Energy Use in Michigan](#)

¹⁴ [Use of energy in homes - U.S. Energy Information Administration \(EIA\)](#)

¹⁵ [Electric Power Monthly - U.S. Energy Information Administration \(EIA\)](#)

¹⁶ [Sunlight Hours Rank | TurbineGenerator](#)

			1.4), a 7% discount rate and monetization of the ITC <ul style="list-style-type: none"> An operations and maintenance (O&M) cost of \$30/kW/year and 3% escalation¹⁷
Estimated annual electricity expenses with solar (\$)	\$244	\$113	The supply rate is assumed to be half of the retail rate and is considered to be equivalent to the value of solar per the DG program (see section 1.3.1) such that if solar covers 50% of annual electricity demand the household saves half of the supply rate times the annual demand while purchasing the other half of the annual demand via the Michigan 2023 electricity retail rate ¹⁸
Adjusted cost of electricity with solar (\$/kWh)	\$0.05	\$0.05	Estimated annual electricity demand divided by the estimated annual electricity expenses with solar
Adjusted total cost of solar (\$/kWh)	\$0.13	\$0.14	LCOE plus the adjusted cost of electricity with solar
% Savings – rooftop (2023 retail rate)	28%	25%	The difference between the retail rate and adjusted total cost of solar (LCOE plus electricity cost with solar)
% Savings – rooftop (25-yr lifetime average retail rate)	52%	49%	EIA 1998-2023 cumulative 25-year growth in Michigan retail rate was 130.5% averaging a year-over-year growth rate of 5.22%. This growth rate was assumed over the 25-yr lifetime of the rooftop solar array, whereby savings increase with the increasing electricity retail rate; Michigan considers this to be a conservative increase as the impacts of climate change will likely exacerbate prices further (savings based on full cost of capital)
\$ Savings – rooftop (25-yr lifetime average retail rate)	\$465	\$215	The average of total cashflows including cost of capital, O&M, and all other LCOE assumptions plus the projected electricity bill savings based on the projected retail rate and estimated cost of electricity with solar compared to without solar
Savings – community	\$360	\$360	Annual savings are calculated assuming \$30 per month bill credits across all household types based on past Michigan community solar
	37%	80%	

¹⁷ [Residential PV | Electricity | 2023 | ATB | NREL](#)

¹⁸ [Electric Power Monthly - U.S. Energy Information Administration \(EIA\)](#)

			LIDAC pilots ¹⁹ (see section 1.1.4.4); this does not consider that electricity consumption of MF (smaller spaces) is less than SF – if credits are provided on a \$/kWh basis this % savings could change for MF households; no escalation assumed over 25 years
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1.1.4 Eligible Household Characteristics

1.1.4.1 Household Types

As shown in Table 3, Michigan households can largely be divided into four categories: single-family, owner-occupied homes (52%), single-family renters (18%), multifamily, owner-occupied (2%), and multifamily renters (25%). Certain geographies in Michigan have different ratios of household types to be considered and important sub-classifications such as affordable regulated and non-regulated MF. For initial program design, household types have been further divided by the year properties were built, with those built before 2000 as a conservative proxy for buildings likely to require roof repairs and/or electrical upgrades. Other construction ages and factors beyond age of building stock may be considered during the planning period, especially factors that indicate that a home may require more significant electrical upgrades to enable a rooftop solar installation (e.g., electric panel upgrades, knob and tube wiring replacement). The **MI Healthy Solar for All** program will also specifically include considerations for manufactured homes, which account for 5.3% of Michigan’s overall housing stock or approximately 242,393 of Michigan dwellings.²⁰

Table 3: # of LIDAC Households in Michigan with Age-built Relative to 2000 ('00)²¹

Household Type		SF, Owned		MF, Owned		SF, Renter		MF, Renter	
Year Built	(Post-2000)	(Pre-2000)	(Post-2000)	(Pre-2000)	(Post-2000)	(Pre-2000)	(Post-2000)	(Pre-2000)	(Pre-2000)
# of Households	64,310	729,313	4,155	26,519	14,868	258,632	47,006	382,935	
% of Total Households	4%	48%	0%	2%	1%	17%	3%	25%	

These relative proportions have informed the ratio of rooftop to community solar funding allocation and projected deployment in the State’s proposed outputs and outcomes as well as strategies specific to the housing type. Michigan recognizes that each region, city, and municipality across the State will have their own unique distribution of LIDAC household types and concentrations of LIDAC households. Any funding the State makes available to specific geographies will be with an understanding of the types of households intended for targeting and the tailored financial and technical assistance that is planned to effectively reach these demographics (see section 1.1.5 for detail on prioritizing geographies).

1.1.4.2 Distribution of Energy Burden

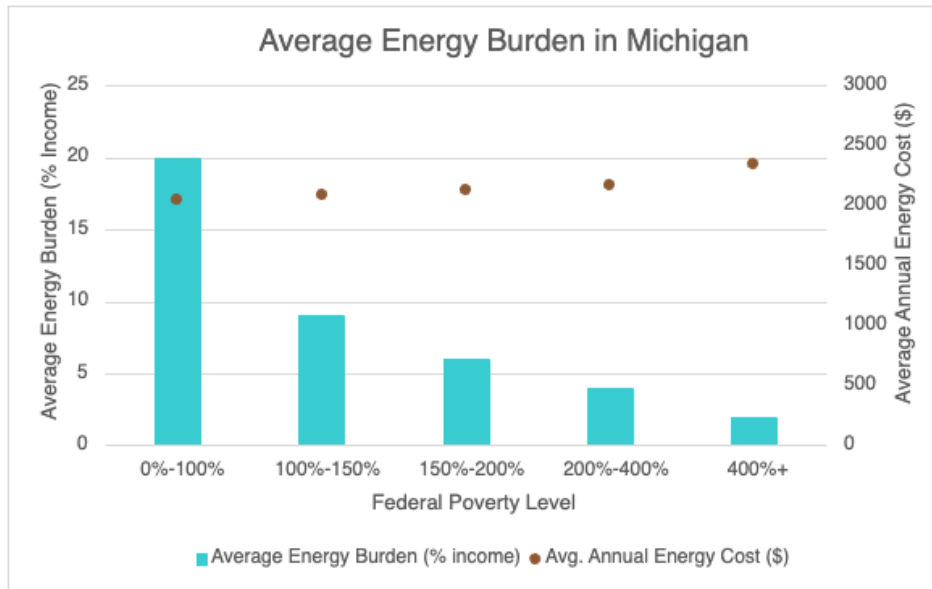
¹⁹ [Clean Energy for Low-Income Accelerator \(CELICA\) \(michigan.gov\)](#); [0688y000001jEwjAAE \(force.com\)](#)

²⁰ [U.S. Census Bureau Quick Facts](#)

²¹ [LEAD Tool | Department of Energy](#) (total households excludes Boat/RV/Van as well as Mobile/Trailer)

The DOE LEAD tool reports Michigan’s energy burden as the proportion of gross household income spent on energy costs. In Michigan, out of the total low-income households that make less than 80% of AMI, 14% [539,030] make less than 30% of the AMI. The 539,030 households that make less than 30% of the AMI have a significantly higher average energy burden of 18% than the state average of 3%.²² For the 27% of LIDAC households that make 30-60% of the AMI, the energy burden is still significantly higher at 6%.

Figure 1: Average Energy Burden in Michigan²³

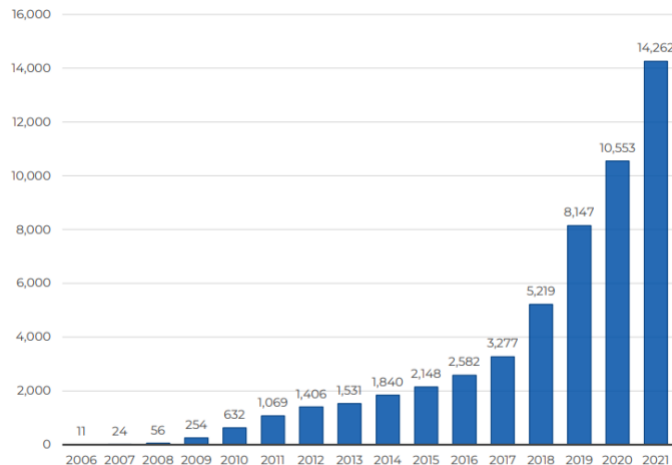


1.1.4.3 Residential Solar Deployment

There has been steady growth in residential rooftop solar in Michigan since 2017.²⁴ On average, Michigan solar prices have decreased 43% over the last decade,²⁵ with residential rooftop solar prices decreasing at an even higher rate of 70% over the last decade.²⁶

Figure 2: Customer growth in Michigan’s DG Program

²² [ACEEE, Household Energy Burdens.pdf \(energy.gov\)](#)
²³ DOE LEAD Tool
²⁴ [MPSC Report \(force.com\)](#)
²⁵ [Michigan Solar | SEIA](#)
²⁶ [Microsoft Word - IEI Funding the Sun 2021_VF.docx \(mieibc.org\)](#)



Source: 2021 Electric Provider Annual Program Reports, Case No. U-15787

Michigan has a DG program that includes onsite installations for commercial (inclusive of MF) and residential customers, with the total volume of customers reaching 14,262 by the end of 2021. This was a 37% year-over-year growth in participation compared to 2020. Michigan’s DG solar installations total approximately 125 MW in capacity, with 96 MW being primarily single-family residences with systems up to 20 kW in size.

Despite comparatively greater upfront system costs, behind the meter battery storage (“storage”) installations paired with residential solar have also been steadily increasing in Michigan.²⁷ DG systems with storage reached 2,304 customers by the end of 2021 (~16% of total Michigan solar DG program customers), which is a 208% increase from 2020.²⁸ Storage is especially valuable to communities that face frequent and lengthy power outages or other grid reliability issues.²⁹

1.1.4.4 Existing Community Solar Deployment and LIDAC-centered Pilots

Throughout the planning process, EGLE will evaluate all proposed models to help determine the prioritization of funding allocation criteria, including and drawing from existing projects and pilots that show the capability of residential-serving community solar projects in Michigan. EGLE also has a successful history engaging LIDAC households with community solar through participation in the DOE’s Clean Energy Solutions for Low Income Communities Accelerator (CELICA), creating three community solar pilots exclusively for LIDAC households to access solar energy and electricity bill savings:³⁰ Through the CELICA program, three community solar pilots were executed in Michigan exclusively for LIDAC households to access solar energy and receive electricity bill savings:

1. City of Lansing – EGLE partnership with an investor-owned utility (IOU), Consumers Energy, serving 50 low-income customers with \$200,000 in funding.
2. Village of L’Anse – EGLE partnership with a municipal-owned utility (MOU), L’Anse Village, serving 25 low-income customers with \$62,500 in funding (\$21-30 credit per month).³¹
3. Grand Traverse County – EGLE partnership with a cooperatively owned utility (COU), Cherryland Electric Cooperative, serving 50 low-income customers with \$100,000 in funding (\$30-40 credit per month). Participants also received weatherization upgrades to maximize potential energy savings from their community solar subscription.³²

²⁷ [MPSC Report \(force.com\)](#)

²⁸ [Distributed Generation Program Report for Calendar Year 2021 \(michigan.gov\)](#)

²⁹ [IEI EnergyStorageReport_FINAL-web.pdf \(michigan.gov\)](#)

³⁰ [Clean Energy for Low-Income Accelerator \(CELICA\) \(michigan.gov\)](#)

³¹ [Michigan-Case-Study.pdf](#)

³² [Michigan-Case-Study.pdf](#)

The **MI Healthy Solar for All** program’s year-long planning process will help Michigan determine when community solar projects serving solely LIDAC households are the best option based on project criteria (see section 1.2.2) as opposed to those where not all the households participating in a community solar project are LIDAC. Though this would be deliberated during the planning phase, it is anticipated that the established success of the Michigan CELICA program could be harnessed to help implement the **MI Healthy Solar for All** program’s community solar initiative.

DTE Electric, an investor-owned utility (IOU), is also implementing a LIDAC community solar pilot, separate from CELICA, for participants at or below the 200% federal poverty level. Beginning in 2022, through 2024, DTE Electric is building three community solar projects in the cities of Detroit, Highland Park, and River Rouge through the MI Green Power Program³³. The utility contributes 30% of the capital for each project with the remainder of needed funding sourced through philanthropic contributions. To ensure equity in governance, the program is administered by an advisory council with representatives from DTE, non-profits, subject matter experts, and the MPSC.³⁴ This project demonstrates IOU interest in mobilizing capital to deliver community solar serving LIDACs and serves as an example of the variety of partnership models that may be supported through the **MI Healthy Solar for All** program (see section 1.3.5).

The CELICA and DTE LIDAC solar pilots deliver anticipated monthly bill credits of \$25 – 30.³⁵ The average value of the bill credits is the basis for the electricity and household savings modeled in section 1.1.3.

1.1.4.5 Data and Tools

Michigan has developed a tailored financial and technical assistance strategy (see sections 1.4 and 1.5) that considers the unique needs of older buildings (e.g., may need infrastructural upgrades), homes versus multifamily, and whether the household owns or rents the property based on the following data sources. To inform program design and prioritization, census tract data can be overlaid with CEJST, the EPA Environmental Justice Screening and Mapping Tool (EJScreen),³⁶ as well as Michigan’s EJ screening tool (MiEJScreen), among other geospatial datasets.³⁷ Michigan also has the capability to overlay geospatial demographic data from CJEST and MIEJScreen with data from MPSC’s U-21122 docket, which direct IOUs to provide the MPSC with highly granular reliability and resiliency data. Leveraging MIEJScreen, CJEST, and data from the U-21122 docket allows Michigan to evaluate environmental exposure and a variety of other socioeconomic indicators to maximize the equitable delivery of meaningful benefits and better understand the geospatial prioritization required to reach the communities who would benefit most from the program.) that considers the unique needs of older buildings (e.g., may need infrastructural upgrades), homes versus multifamily, and whether the household owns or rents the property based on the following data sources. To inform program design and prioritization, census tract data can be overlaid with CEJST, the U.S. Environmental Protection

³³ <https://solutions.dteenergy.com/dte/en/Products/MIGreenPower-Community-Impact/p/MIGPSOLAR>

³⁴ [MIGreenPower Community Impact | Products | DTE Energy](#)

³⁵ [MI Power Grid New Technologies, Business Models, and Staff Recommendations](#)

Agency (EPA) Environmental Justice Screening and Mapping Tool (EJScreen),³⁸ as well as Michigan’s EJ screening tool (MiEJScreen), among other geospatial datasets.³⁹ Michigan also has the capability to overlay geospatial demographic data from CJEST and MIEJScreen with data from MPSC’s U-21122 docket, which direct IOUs to provide the MPSC with highly granular reliability and resiliency data. Leveraging MIEJScreen, CJEST, and data from the U-21122 docket allows Michigan to evaluate environmental exposure and a variety of other socioeconomic indicators to maximize the equitable delivery of meaningful benefits and better understand the geospatial prioritization required to reach the communities who would benefit most from the program.

EGLE has collected data on building ages (e.g., built before or after 2000), building types (e.g., SF homes or MF condominiums or apartments), and ownership status (e.g., owned or rented).

Additionally, Michigan anticipates receiving a residential rooftop solar consumer financial analysis of Detroit and Grand Rapids completed by the Clean Energy States Alliance, analyzing different solar deployment models. This analysis will be completed following the submission of **MI Healthy Solar for All** program applications and will be used to inform the planning period.

1.1.5 Program Award Design Criteria

Michigan plans to serve the most disadvantaged households and households that have been historically underserved by public and private institutions. Table 4 displays examples of prioritization criteria for eligible households to participate in the **MI Healthy Solar for All** program. These criteria align with the State’s mission to create a sustainable program that will survive long after the initial program funding is disbursed and includes input from numerous stakeholders already engaged during the application period.

During the planning year, Michigan will refine eligibility criteria (including defined thresholds and relative criteria weight) with guidance from the MACEJ, input from tribal governments, the MPSC’s Low Income Energy Policy Board (LIEPB), public listening sessions, and stakeholder engagement sessions – including those undertaken as a part of the Climate Pollution Reduction Grant (CPRG) planning process. EGLE will convene targeted stakeholder meetings, workshops, and other forums to engage multiple stakeholders, including other Michigan state agencies (including the MPSC, the Michigan Department of Labor and Economic Opportunity (LEO), the MSHDA, and the Michigan Department of Health and Human Services (DHHS)), the MACEJ, local solar developers, utilities, trade groups, non-profits, community-based organizations (CBO), community and business leaders, non-profits, academic institutions, and those with lived experiences, among other recommended organizations, to solicit input on program design for prioritization criteria for eligible households. The **MI Healthy Solar for All** program will provide compensation for CBOs and community members to provide program input based on lived experience and community needs (see sections 1.5.1.1 and 1.6.3). These design decisions will then be used by a third-party administrator(s) to guide the flow of funding and resources to eligible households and qualified stakeholders.

To ensure program success and equitable outcomes, Michigan may opt to make additional portions of funding available by setting aside allocations of financial incentives and offering additional technical assistance funding for local governments covering priority geographies with

³⁸ [EJScreen: Environmental Justice Screening and Mapping Tool | US EPA](#)

³⁹ [MiEJScreen: Environmental Justice Screening Tool \(DRAFT\) \(michigan.gov\)](#)

the highest populations of eligible households. For example, the State may opt to provide additional funding for geographies based on the criteria in Table 5, and/or based on high concentrations of eligible populations such as those illustrated in Table 6, during the planning period. The counties and census tracts therein in Table 5 would be compared to the top census tracts for energy burden, grid reliability concerns, and other geospatial data related to the criteria in Table 4.

Additionally, EGLE will establish and confirm criteria for the prioritization of households that could benefit from energy storage and needed enabling upgrades.

Table 4: Household Prioritization and Scoring

Preliminarily Identified Criteria	Eligibility Threshold Considerations	Relative Weight
Energy burden	<i>>X% from 0 or State average</i>	TBD
Grid reliability concerns	<i>Top 25th percentile of Customer Average Interruption Duration Index (CAIDI)</i>	TBD
GHG emission reduction	<i>See section 1.2.2</i>	TBD
Local air pollution	<i>>X% reduction</i>	TBD
Geographic clustering	<i>To increase community grid resiliency, promote local quality job pipelines, and increase cost-effectiveness to maximize funding award dollars</i>	TBD
Households with critical electricity needs	<i>Households where individuals utilize electricity reliant durable medical equipment (DME) and where outage duration is in the top 25th percentile.</i>	TBD
Solar readiness	<i>Infrastructural solar readiness e.g., roof or electrical readiness</i>	TBD
Redevelopment potential	<i>Will consider qualifications such as situation of community solar on brownfields, landfills, etc.</i>	TBD

Table 5: Top Five Michigan Counties in CEJST for Eligible Population⁴⁰

County Name	Total Population (100% disadvantaged tract)
Wayne County	926,788
Macomb County	194,222
Kent County	183,846
Genesee County	179,216

⁴⁰ CEJST Communities List Data

Oakland County	123,692
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1.2 Meaningful Benefits Plan

1.2.1 Ensuring Delivery of Household Savings

The program will deliver a minimum of 20% household savings (based on 20% direct electricity bill savings or indirect savings) to all recipient households, prioritizing opportunities to deliver an even higher percentage of savings (see sections 2.2.1-2 for detail on consumer protection and ensuring household savings).

Table 6: Household Saving Strategy by Type

Household Type	Owners	Renters
Single-Family	See section 1.1.3 for the electricity bill analysis demonstrating anticipated savings that exceed 20% across all household and solar project types where eligible participants pay their electricity bill and are rewarded direct operating savings	Michigan will create a plan to ensure equitable indirect savings of 20% is secured for individuals without electric bills (e.g., master-metered MF) by identifying other financial or non-financial benefits specific to these households and ensuring savings are equivalent to 20% of one’s electricity bill payments
Multi-family		

EGLE evaluated both rooftop and community solar projects to better its ability to deliver meaningful household savings in Michigan (see section 1.2.5). To ensure that the cost savings benefits of this program are maximized, Michigan intends to direct a significant proportion of the SFA funding towards residential rooftop solar; however, certain MF and SF household tenants may more easily access community solar and community solar will allow more households to participate in the **MI Healthy Solar for All** program overall, thus the program will be designed to serve both verticals (see section 1.4).

1.2.2 Ensuring Community Solar Savings

Community solar projects will be evaluated on a case-by-case basis for program eligibility (see section 1.3.5 for discussion of the current landscape). During the first-year planning period, EGLE will develop a set of criteria to ensure that any project receiving funding will satisfy the EPA’s requirements (e.g., minimum savings and additional GHG reductions) and meet Michigan’s policy priorities, including those outlined in the MI Healthy Climate Plan. EGLE will consider stakeholder input in developing such criteria, which may include:

- Priority to households otherwise not able to access rooftop solar (older housing stock, renters, MF, etc.)
- Threshold of LIDAC households served per project
- Mobilization of private capital (e.g., leverage ratio of x:1).
 - The leverage ratio could be adjusted in scenarios where Michigan is willing to fund without leverage to deliver desired benefits
- For projects ‘ready for deployment,’ SFA funds must accelerate the timeline or close of funding to ensure additionality of GHG reductions

1.2.3 Ensuring Equitable Access

Michigan will refine eligibility criteria to prioritize awards with guidance from the MACEJ, input from tribal governments, the Michigan Low-Income Energy Policy Board, and public listening and stakeholder sessions – including those undertaken as a part of the CPRG planning process. The MACEJ, in particular, will be consulted to ensure equitable access and meaningful benefits are delivered (see section 1.6 for details on equitable community engagement).

Through robust collaboration with CBOs, Michigan will gather feedback to understand where communities may have had negative experiences with previous incentive programs, lending products and practices and other experiences relevant to the deployment of the program. By hearing directly from CBOs and community members and better understanding previous negative experiences, the **MI Healthy Solar for All** program’s design, specifically education and customer outreach, will better be able to ensure equity and provide financial benefits. Moreover, the financial and project-deployment strategies will be designed to be clear and accessible to different geographic communities and household types. For more information on financial assistance and technical assistance strategies, see sections 1.4 and 1.5.3.

1.2.4 Delivering Energy Resilience

EGLE will use various federal, utility, and state datasets to assess resiliency needs and priority areas. The North American Electric Reliability Corporation (NERC) tracks resiliency for the Mid-Continent Independent System Operator (MISO) that includes Michigan. NERC projects that MISO is at “high risk” for reliability failures and shortfalls, even under normal demand conditions. In 2021, the average customer had 416.7 minutes of interrupted electric service across the State, which was the 18th highest out of all States and the District of Columbia.⁴¹

The MPSC tracks the frequency and duration of grid outages across the state, which could be layered with utility reports and EIA data, along with DOE LEAD, CEJST, MiEJScreen, and other geospatial datasets when evaluating communities that would most benefit from solar plus storage. Investments in energy storage will also avoid the costs of an outage, for which the willingness to pay to avoid an outage has been recorded as \$1.57/kWh, which is 8.5 times the Michigan average retail electricity rate.⁴²

1.2.4.1 Storage Prioritization Criteria

Specific criteria to evaluate the meaningful benefits a prospective household would receive from solar systems paired with storage devices will be developed during the planning period based on input from stakeholders. These criteria will inform project prioritization and thresholds that will be devised to allow for prospective project scoring to delineate households that receive solar plus storage awards versus solely solar awards. Throughout the planning process, the SOM will work to identify additional funding (e.g., philanthropy, state funding, private capital) to increase the number of households that receive storage. The SOM anticipates considering – among other criteria – the following:

- Top 25th percentile of CAIDI
- Households identified by Medicare as being durable medical equipment (DME) reliant
- High proportion of elderly residents
- Other critical electricity needs

⁴¹ [LS4A+MI+Grid+Economic+Impact.pdf \(squarespace.com\)](#)

⁴² [Willingness to pay for avoiding power outages was valued at \\$1.57/kWh](#)

This set of criteria focuses on maximizing benefits of solar plus storage investments for those who need them the most and for those who would be unlikely to have access to these investments otherwise. The elderly, those between 0-30% AMI, and those who rely on electronic DMEs, face direct threats to their health, safety, and economic livelihood in the event of a sustained power outage. Solar plus storage investments funded by the **MI Healthy Solar for All** program can alleviate these challenges or remove them altogether.

1.2.4.2 Overcoming Solar and Storage Supply Barriers

The SOM will engage with local manufacturers (see section 1.2.6) to assess supply and demand of materials and the ability to produce solar plus storage solutions in-state. The SOM will also assess where there may be the need for out-of-state procurement to ensure that supply chains are not a barrier to implementation. The SOM will follow EPA guidance on Build American, Buy American (BABA) when considering the procurement process requirements for the **MI Healthy Solar for All** program.

1.2.5 Maximizing Community Ownership

The **MI Healthy Solar for All** program will increase access to wealth building and opportunities for improved credit through distributed energy resources (DER) asset ownership. As such, Michigan will include wealth-building and ownership as evaluation criteria for residential rooftop systems as well residential-serving community solar systems. For the households participating in the rooftop segment of the program, the **MI Healthy Solar for All** will design financing strategies that enable residential ownership through direct grants, lease-to-own models, and low-cost loans (which may be offered through partnerships with community development financial institutions (CDFI) and other community lenders). For residential-serving community solar projects, the **MI Healthy Solar for All** program will evaluate different ownership and wealth building strategies on a case-by-case basis, allowing for third-party, utility-owned, and other project ownership models to participate.

1.2.6 Investing in Quality Jobs

Michigan will ensure **MI Healthy Solar for All** residential rooftop and community solar projects include participation by LIDAC businesses and create ample training opportunities for participating LIDAC residents to acquire the necessary specialized skills to partake in quality job opportunities. For more information on workforce development and job placement, see section 1.5.1.

1.2.6.1 Selecting Qualified Vendors

Michigan will, in partnership with the selected third-party administrator(s), and informed by the planning period, select one or more vendors to develop and install rooftop residential and community solar projects and associated storage and enabling upgrades. In the case that the SOM elects to work with more than one vendor, the SOM and the selected third-party administrator(s) will develop a qualified vendor program that establishes requirements for participating vendors. Vendors that participate in the qualified vendor program will work with vetted financing organizations (see section 1.7.1) and a third-party administrator (see section 1.5) to design and deliver solutions that are appropriate for each LIDAC market segment. Criteria for applicants will be defined and refined throughout the planning year. As part of the criteria, vendors will be shown preference if committing to specific criteria to be chosen by Michigan during the planning year. In addition to the requirements of 42 U.S.C. §§3141-3144)(DBA), the Davis-Bacon Act, criteria may include:

- Ensure workers’ free and fair choice to collectively bargain/to join or form a union
- Remain neutral in union organizations/operations with the use of the Project Labor Agreement, and prioritize local workforce pipelines
- Demonstrate that a minimum number of hours performed during the installation process was completed by qualified job trainees
- Hire certain percentage of workers from LIDAC workforce development training programs
- ‘High road’ labor practices (i.e., family-sustained benefits, predictable work schedules)
- Include qualifying as a minority- and/or women-owned business or businesses in historically underutilized business zones (as defined by Small Business Administration’s “HUBZone”)
- Demonstrate a commitment to paying prevailing wages

The exact criteria for approved vendors and any subcontracts will be determined in the planning period in accordance with state law and EPA guidelines for Participation by Disadvantaged Business Enterprises in 40 CFR Part 33. See section 1.5.1 for further elaboration on workforce development.

1.2.6.2 Workforce Training Programs

Michigan will utilize and invest in existing workforce development programs that leverage worker-centered training models, pre-apprenticeship, and registered apprenticeship programs to ensure workers are receiving the necessary skills to meet the growing demand for solar workers. These programs may offer industry-specific training as well as education on standards and safety procedures.

Training programs will focus on developing pipelines in priority communities based on criteria defined in section 1.1.5. The SOM will seek to safeguard diverse hiring practices by ensuring that LIDAC members are represented in the workforce. Additionally, where appropriate, local businesses that commit to hiring from LIDACs will be prioritized to support installation, maintenance, outreach, or other support services. Michigan will also invest in new, local, and diverse businesses to ensure their participation in the growing solar market by funding entrepreneurship programs that provide upfront capital to help businesses start.

1.3 Distributed and Community Solar Market Strategy

1.3.1 Michigan Solar Policy Landscape

Michigan has a DG program with an inflow/outflow tariff structure and a legacy net metering program.⁴³ The current DG program is applicable to all new distributed solar installations in Michigan and allows customers to generate and sell electricity back to utilities at a fixed rate per kWh for energy that is generated by a DER, up to a maximum size of 20 kW for category 1 residential arrays. Customers pay the utilities at the full retail rate for all “inflow” kWh delivered by the utility and receive a credit for any “outflow” kWh not consumed on-site and sent back to the utility. The outflow credit is typically equivalent to the power supply costs embedded within the retail rate.⁴⁴

⁴³ Michigan’s net metering began to be phased out in 2018 via Public Acts 341 and 342 of 2016. Former net metering program customers are still able to participate up to 10 years from their initial enrollment date, but no new customers may participate.

⁴⁴ [Distributed Generation Program Report, November 2022, MPSC](#)

enabling legislation that guarantees third-party ownership for community solar, there are multiple community solar options available in Michigan that align with EPA’s definition (see section [1.3.5](#)).

1.3.3 Interconnection Processes

To remedy existing interconnection issues that developers face, the MPSC recently undertook a 4-year long process, in partnership with utility companies, to update the state’s interconnection standards. The regulations, which have taken effect in 2023, aim to simplify and expedite the interconnection process for DG resources. The standards will apply to all IOUs, alternative electric suppliers, and electric cooperatives (see section 1.5.2 for more information). These recently updated interconnection standards will minimize interconnection challenges experienced by participants in the **MI Healthy Solar for All** program.

1.3.4 Renewable Portfolio Standard (RPS)

Michigan’s 2016 energy law established an RPS of 15% to be met by 2021. Through a combination of renewable energy, renewable energy credits, and energy efficiency measures allowable under the enabling statute, Michigan has met its current RPS obligation. In June 2023, House Bill 4759 was introduced to expand Michigan’s RPS to include higher penetrations of renewable energy as part of a broader clean energy legislative effort. If passed, this legislation could make renewable energy credits available for solar projects under the **MI Healthy Solar for All** program, thus improving project economics in some instances.

1.3.5 Community Solar Policy Landscape

Michigan will consider a variety of community solar subscription models, such as those that are utility owned or owned by a community institution. These and other potential models will be evaluated based on criteria determined throughout the planning process and will be based on their ability to deliver meaningful benefits to LIDAC households. Michigan does not currently have enabling legislation for independently owned and grid-connected community solar⁴⁸ that would enable a third party or consumer to directly own systems.⁴⁹ However, in the case that state legislation enables third-party owned community solar models, the **MI Healthy Solar for All** program will be designed to enable such projects as well.

1.3.6 Utility and Jurisdictional Considerations

There are seven investor-owned utilities in Michigan and nine cooperative electric utilities, and 40 municipal electric utilities. Each utility has different considerations related to tariff design, DG, and community solar. For example, refer to Table 7 for differences between certain DG program design elements for IOUs. During the planning period, Michigan will work to engage with all types of Michigan utilities to identify program design solutions that work across utility jurisdictions and rural and urban geographies.

1.4 Financial Assistance Strategy

1.4.1 Financial Assistance Strategy Overview

⁴⁸ [MI Power Grid](#)

⁴⁹ [ERB-155-MBSR-Policy-Memo v2.pdf \(umich.edu\)](#)

The **MI Healthy Solar for All** program plans to allocate a minimum of 75% (\$187,500,000) of the requested SFA funds (\$250,000,000) to the financial assistance strategy, with the remaining 25% (\$62,500,000) to be used for Project-Deployment Technical Assistance and Program Administration (see Table 8). Michigan will allocate at least 80% (\$150,000,000) of the financial assistance strategy funds to deploy residential rooftop solar, residential-serving community solar, and associated storage, and will utilize the remaining 20% (\$37,500,000) or less to fund enabling upgrades (see section 1.4.4). During the planning year, EGLE will build upon the LIDAC communities targeted in section 1.1.5 and continue to refine the priority households’ eligibility to ensure the LIDAC households most in need of support receive SFA funding. Michigan will use the planning year to continue to refine the financial assistance strategy by continuing conversations with CBOs, municipalities, nonprofits, capital providers, and other key stakeholders to ensure a targeted strategy is deployed across the Michigan. To ensure accountability over the criteria and disbursement of the SFA funds, EGLE will create a working group with key state departments to provide program guidance and governance support to ensure proper controls are in place for awarded programs (section 1.4.5). In the case that certain predevelopment costs are not covered under the ultimate financial assistance strategy, Michigan has allocated adequate Project-Deployment Technical Assistance and Program Administration funding to support predevelopment needs. s will be given to projects located on brownfields, vacant lots, or other sites where solar development would have the potential to revitalize communities.^{50,51} (For information on how the rest of the Project-Deployment Technical Assistance and Program Administration funds will be allocated, see section 1.5).

Table 8: Financial Assistance and Technical Assistance Funding Allocation

Eligible Technology	Percentage (%) Allocated	Amount of Funding (\$)
Financial assistance allocation for residential and community solar	80%	\$150,000,000
Residential Rooftop Solar		
Residential rooftop solar (including associated storage)		\$40,000,000
Rooftop solar (0-30% AMI)	30%	\$12,000,000
Rooftop solar (30-60% AMI)	20%	\$8,000,000
Rooftop solar (60-80% AMI)	15%	\$6,000,000
Associated Solar Storage	35%	\$14,000,000
Residential-serving community solar		
Residential-serving community solar		\$110,000,000
Enabling upgrades		
Enabling upgrades	20%	\$37,500,000
Total		
Total Financial Assistance	75%	\$187,500,000

⁵⁰ [Michigan intends to incorporate research findings into the planning period to encourage SFA brownfield development](#)

⁵¹ [The EPA reported that of the “450,000 brownfields nationally, only 415 have renewable energy installations on the brownfields as of 2020.”](#)

Total Project-Deployment Technical Assistance and Program Administration	25%	\$62,500,000
Total Financial Assistance and Technical Assistance Funding	100%	\$250,000,000

1.4.2 Financial Structures and Instruments

Michigan intends to use several funding strategies to award funds to LIDAC households (see Table 9). The financial incentives and instruments will be designed to remove cost barriers for households to participate, ensure all participants realize 20% savings, maximize program-wide impact, leverage private capital, maximize uptake of the federal tax incentives, encourage LIDAC ownership, and support the development of a long-lasting market for DG and community solar in LIDAC households. The financial assistance incentives will be deployed and, in some cases, bundled together to maximize the number of households benefiting from the SFA funds. Michigan has developed a tiering criterion based on AMI segments for rooftop residential products to ensure flexibility within the program design to capture the unique needs of each community and household type (see Table 10). Michigan will leverage and build upon the financial incentive options and tiering in this application during the planning year prior to funding decisions (see sections 1.3.4-5 for details on the RPS and community solar landscape).

Table 9: SFA Financial Incentive Strategies and Options

Priority Financial Strategies and Incentive for Single-family Residential
Direct grant support
Third-party ownership options including lease to own and Power Purchase Agreements (PPAs)
Work with the private and quasi-public financial institutions to create unsecured low-to no-interest lending options, leveraging credit enhancements where appropriate

Table 10: AMI Household Tiering and Overview for Residential Rooftop Solar and Residential-serving Community Solar

Technology Type	Criteria	Financial Assistance Household
Residential rooftop solar	0-30% AMI (>10% average energy burden)	Financial incentives will be designed to minimize costs to households and target \$0, or as close to \$0 as possible. Michigan will utilize grants for enabling upgrades, solar, and storage. Where possible, products will be designed to allow for the possibility to leverage (ITC). For example, a strategy in this category may include a lease-to-own model where the lease payment is fully paid for through a grant.
	30-60% AMI (<10% energy burden)	Designed to minimize costs and capture the ITC for households that are not able to otherwise take advantage of the ITC. During the planning period, one or more finance providers will be selected to create products that drive down monthly payments for this category of households. Strategies considered may include a mix of lease-to-own models, grant funding, and low-interest financing facilitated by credit enhancements.

	60-80% AMI (<10% energy burden)	Designed to minimize costs but allow those with the tax burden to receive the ITC. Include credit enhancements or other deployment of capital to create loan loss reserves to encourage lending. Leveraging other sources of funding to reduce payments including from potential recipients of funds from the Clean Communities Investment Accelerator (CCIA). Financing at this level should replenish and be offered on a sustainable basis beyond the life of the program.
Residential-serving community solar	Prioritized for MF and all renters	Products designed with clearly identified prioritization criteria to filter opportunities including ITC / PTC (plus potential adders), sponsor or community equity, loan products, and grant funding to complete capital stack for community solar projects. Financing solutions will target the project owner or sponsor, while grants and subsidized participation will target participating households and will consider a similar tiered approach to the residential rooftop strategy outlined above. The State will also build partnerships with entities receiving funding from the National Community Investment Fund (NCIF) and the CCIA to supplement eligible residential-serving community solar projects.

Michigan has designated the residential owner-occupied household into three tiers: households 0-30% AMI, households 30-60% AMI, and 60-80% AMI (see Table 10). Since the 0-30% AMI households have over a 10% average energy burden (see section 1.1.4.2), owners of these households will receive up to 100% subsidy support for residential rooftop solar where appropriate and community solar where appropriate. Renters and multifamily tenants in this tier will be prioritized for community solar and will be eligible for up to 100% subsidy.

Additionally, solar plus storage will be prioritized for those who are within the 0-30% AMI income bracket who also rely on electronic DMEs and live in areas that are in the top 25th percentile for CAIDI. These individuals face a unique confluence of challenges:

disproportionally high energy burdens (often more than 30%), poor resiliency (especially for the Detroit area’s residents), and potentially life-threatening circumstances in the event of a power outage. Systems for these households (0-30% AMI) will see up to 100% of the costs covered by the **MI Healthy Solar for All** program. To maximize impact, Michigan will prioritize strategies that still leverage the ITC. For example, Michigan may consider a lease-to-own model where the lease payments are paid for through a grant. This model allows the State to fully monetize the ITC in lieu of households (that likely do not have the necessary tax burden), giving the household (lessee) economic benefit of a lower cost system and energy bill savings in the interim, and then eventually transferring ownership to the LIDAC household after the period when ITC is fully realized. Such strategies will be developed during the planning period with input from the MACEJ, contractors, CBOs, and financial institutions, as well as businesses and nonprofits already working with solar products in Michigan. Ultimately, the financial assistance strategy for this AMI bracket will allow Michigan to build generational wealth, reduce energy burden, and protect the health and safety of some of Michigan’s most vulnerable individuals.

Products designed to serve the residential rooftop-serving households in the 30-60% AMI range will allow the household the flexibility, if they have the tax burden to monetize the ITC and

apply for a mix of grant funding, lending support, or additional incentives (see Table 10). Since many households in this tier will still lack the tax burden to fully leverage the ITC, the third-party administrator(s) will create an RFP process for one or more financial partners to provide lease-to-own products incorporating incentives to decrease monthly payments for those within this AMI tier.

For LIDAC households who have the tax burden to monetize the ITC (60-80% AMI) or for whom the lease-to-own model is deemed not best suited, an outright ownership solution will be presented. During the planning period, Michigan will engage developers to evaluate credit score requirements and potentially partner with different developers based on different credit bands, as well as engage financial institutions to evaluate low- to no- interest loans, credit enhancement, interest rate buy-downs, grants, guarantees, and debt service reserve fund opportunities.

Community solar funds will be designated to assist deployment with priority given to MF tenants and MF/SF renters. This will avoid challenges specific MF challenges and landlord-tenant barriers and will enable the most household savings and a high volume of households to be reached. The budget utilizes a community mobilization factor of three private dollars for every one public dollar invested (3:1). EGLE and the third-party administrator(s) will engage in stakeholder meetings (see section 1.1.5) to prioritize the eligible projects for all three solar installation categories of participants. However, Michigan has identified criteria to use in the prioritization process during the planning period below (see section 1.6.3 for further discussion of the planning period engagement).

- **Potential prioritization criteria for both residential rooftop solar and residential rooftop solar plus storage:** energy burden AMI; number of households; current grid resilience; ability to increase resilience (e.g., limits the number or length of outages); medical devices: age and life support, workforce development requirements (e.g., geography clustering).
- **Residential rooftop solar (0-30% AMI, 30-60% AMI, 60-80% AMI):** minimum leverage ratio of 1.5:1 (1.5 private dollars to one public dollar) for 30-80% AMI households leveraging private capital.
- **Residential-serving community solar:** leverage ratio minimum target of 3:1.
- **Multifamily-serving community solar (0-30% AMI, 30-60% AMI, 60-80% AMI):** minimum leverage ratio of 1.5:1 for 30-80% AMI households leveraging private capital.

In applicable scenarios across all categories, Michigan intends to incorporate incentives for landlords to ensure the savings are passed on to renters.

1.4.3 No Duplication of Solar for All Funds in Existing Programs

Michigan has several existing programs and funding strategies that will be leveraged and expanded, but not duplicated, with SFA funds. Michigan will choose existing programs for expansion during the planning year and determine which programs SFA funding can supplement to increase the benefits to participants, expand current eligibility of households, support greater household savings, increase subsidy size, and/or support community ownership and workforce programs. A non-exhaustive list of key existing complementary programs is included below. A full inventory of all programs will be gathered during the planning year.

- **Clean Energy for Low-Income Community Accelerator (CELICA)** – lowers energy bills for low-income communities through voluntary community solar partnerships with the DOE and state government (see section 1.1.4.4 for more details).

- **EGLE Energy Efficiency Revolving Loan Fund (EERLF)** – The \$12,773,690 EERLF will be targeted to specific communities of interest that fit into the Justice40 criteria of both low-income and environmental justice and will be layered with other funding programs for maximum funding leverage. The primary goal for this program is to increase the energy savings of the program participants while reducing their energy consumption and GHG emissions.
- **Michigan Saves** – Created by the SOM, Michigan Saves is a nonprofit green bank. The SOM included \$5 million for Michigan Saves in its FY24 budget to expand the operation of a loan loss reserve currently serving residents across Michigan. Through that program, Michigan Saves has historically deployed capital with a 30:1 leverage ratio.
- **Detroit Loan Fund (DLF)** – \$2.5 million loan program managed by Michigan Saves and funded by the Kresge Foundation to finance solar and energy efficiency projects in Detroit. The fund eliminates credit scores as loan criteria, focusing instead on the borrower’s ability to make loan payments. DLF will be considered a leverage source for the households in the middle or higher tier (30-60%, 60-80% AMI) brackets.
- **EGLE Community Energy Management Program (CEM)** – The CEM Program provides grants to communities to improve energy management and accelerating energy efficiency and renewable energy adoption. Grant funding is available to local governments, tribal governments, and other public-service entities for energy-related projects.
- **EGLE Energy Planning and Policy Program** – This program is designed to help local communities better plan for, regulate, and adopt energy management practices.
- **Energy Efficiency Conservation Block Grant Program (EECBG)** – The DOE EECBG program is designed to assist local governments and tribes to implement energy strategies that will result in a reduction of fossil fuel emissions.
- **Home Energy Rebate Programs (HER)** – The \$105,291,160 DOE IRA HER Programs are designed to develop, implement, and enhance residential energy efficiency and electrification programs for U.S. households.
- **MI-HOPE** – MI State Housing Opportunities Promoting Energy Efficiency program, which is managed by the MSHDA, provides \$10,000,000 to local governments and nonprofits for energy-efficiency focused housing repairs and upgrades.
- **Weatherization Assistance Program (WAP)** – DOE’s program to reduce energy costs for low-income households by increasing the energy efficiency of their homes, with \$16,597,459 available from the latest pool of funding.
- **Utility Residential Energy Efficiency Rebates** – DTE Electric and Consumers Energy offer utility programs to provide rebates for residents that use energy efficient equipment or improve the insulation on their home.
- **Made in Michigan Competitiveness Fund** – State funding of \$350 million to be used to secure federal resources from the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act. It can be leveraged for SFA and other related federal funding opportunities.
- **MI Healthy Climate Plan Implementation Funds** – Leveraging repurposed DOE SEP Revolving Loan funding, the Office of Climate and Energy is leveraging \$10,000,000 of funding to aid in the implementation of the MI Healthy Climate Plan and related programs, such as the **MI Healthy Solar for All** program.

In addition to these programs, EGLE will utilize state support from Governor Whitmer’s MI Healthy Climate Plan, Michigan’s CPRG planning grant, and the recently launched MI Healthy Climate Corps.⁵² Through the MI Healthy Climate Corps, a \$2.6 million program, Michigan will deploy a cohort of 30 members to support the implementation of the MI Healthy Climate Plan over the course of two years, including supporting communities’ participation in the SFA planning period.⁵³ In future years, the SOM plans to expand the MI Healthy Climate Corps to help meet the workforce and deployment needs of the **MI Healthy Solar for All** program.

To ensure there is no duplication with funding sources – including private capital – outside of the SOM’s control, Michigan will engage with credit unions, CDFIs, and Michigan Saves as well as capital providers who are recipients of other federal awards including the National Clean Investment Fund (NCIF) and Clean Communities Investment Accelerator (CCIA). These recipients would be engaged during the planning period to best determine how to maximize the outputs of SFA, NCIF, and CCIA. EGLE plans to coordinate with the capital recipients of NCIF and CCIA. Michigan will also prioritize designing the SFA program to complement the relevant federal tax incentives, including the following: ITC Section 48 (e); Low Income Adder; Energy Community Adder; New Market Tax Credits; Production Tax Credit (PTC); Energy Efficiency Home Improvement Tax Credit (25C); Residential Clean Energy Tax Credit (25D); and New Energy Efficiency Home Tax Credit (45L).

1.4.4 Description of Financing for Storage and Upgrades

All financial incentives and instruments employed in the **MI Healthy Solar for All** program will be designed to remove cost barriers for households to participate, ensure all participants realize 20% savings, maximize program-wide impact, leverage private capital, maximize uptake of the federal tax incentives, encourage LIDAC ownership, and support the development of a long-lasting market for DG and community solar in LIDAC households. As a part of Michigan’s strategy for financing solar, Michigan will pursue an associated 35% for owner-occupied households receiving solar through the **MI Healthy Solar for All** program. Depending on the household AMI percent (Table 10), associated storage may also include direct grant support for households most in need of storage to increase household resilience. While storage may be considered on a case-by-case basis for community solar projects, Michigan plans for the bulk of energy storage investment to be made at the residential level.

Enabling upgrades will be further defined in the planning year but will include at a minimum, barriers that reduce the deployment of solar in LIDAC households, including roof upgrades, behind-the-meter electrical upgrades, and distribution and transmission infrastructure investment that will be borne by the project. Enabling upgrade funds will not include rate-based or planned utility capital improvements in the eligibility criteria. The **MI Healthy Solar for All** program will focus on maximizing the impact of enabling upgrades by prioritizing the funding for LIDAC households who face the largest barriers to accessing the program. The plan will direct those households closer to the median income to additional subsidized capital solutions. Enabling upgrade funding will not go to projects that could be supported by other assistance programs at the federal, state, and local level (see section 1.4.3). The program will refer customers to the WAP, Low Income Home Energy Assistance Program (LI-HEAP), Community Development

⁵² MI Healthy Climate Plan. [MI Healthy Climate Plan \(michigan.gov\)](https://michigan.gov)

⁵³ [The cohort is a two-year AmeriCorps program to provide “meaningful capacity” support for climate-aligned projects.](#)

Block Grant (CDBG), and other federal, state, municipal, utility, and community-based programs for energy efficiency financial assistance.

1.4.5 Maintaining Affordability and O&M

Michigan's plan considers the long-term impacts of the financial assistance funded products. In addition, Michigan's O&M plan will incorporate policies into the financial assistance strategy to maintain affordability of existing housing stock, and anti-displacement policies and rapid cost increase prevention policies for LIDAC households with solar and/or storage units through the **MI Healthy Solar for All** program. The third-party administrator(s) will engage with relevant state agencies and CBOs on policies best suited for each community and housing type. The third-party administrator(s) will ensure that funded programs will include provisions so that SFA funding will continue to benefit LIDAC communities throughout the lifetime of the systems. Further consideration will occur during the planning year and with feedback from stakeholders.

EGLE, likely via a third-party administrator will ensure appropriate O&M measures by working with selected contractors and stakeholders. Such a process may include the management of a selection process during the planning year for local O&M service provider(s) for assistance. Michigan and the third-party administrator will prioritize O&M strategies that have the fewest number of providers to simplify oversight of performance. To ensure the systems are performing at optimum level, the O&M plan will incorporate audits of the system to ensure routine maintenance is being performed. For community solar projects, Michigan will consider an operations and maintenance contract over the lifetime of the asset.

EGLE will use the planning year to develop requirements for the recyclability and longevity of the systems. Michigan is already committing to a more circular disposal pathway for renewable technology. Michigan's Home Energy Rebate program (see section 1.4.3) will require verification that all material and equipment removed from residential buildings as part of the HER program have been recycled or properly disposed. In addition, EGLE is pursuing additional funding, such as the DOE Materials, Operation, and Recycling of Photovoltaics (MORE PV) funding opportunity, to add an accelerator track through NextCycle Michigan focused on the photovoltaic cell (PV) life cycle with a specific focus on end-of-life recovery of PV systems to provide the technical support needed to implement not just one new technology, but multiple well vetted solutions which encourage the reuse, remanufacturing, and recycling of solar panels. NextCycle Michigan is a public-private initiative supported by EGLE. The program is designed to attract end markets and build robust supply chains for recyclable materials through new companies, new supply chains, and new jobs in Michigan by leveraging state dollars with private investment through broad and diverse engagement across the state.⁵⁴ The **MI Healthy Solar for All** funding will increase the incentives for investors to fund projects to advance recycling in Michigan as well as potentially contribute to any market research required to support these projects. Throughout the planning and implementation process, existing recycling companies will be engaged as stakeholders. The SOM also has an electric vehicle battery recycling and second life apps for vehicle recycling and second-life applications, and throughout the planning process determine if this can be expanded to include batteries for energy storage.⁵⁵ Michigan plans to continue to encourage research for recycling of solar panels and

⁵⁴ [NextCycle](#) supports investment-ready project plans to "keep waste out of landfills and build demand for recovered materials by manufacturers in MI."

⁵⁵ 2nd Life. [Electric Drive Vehicle Battery Recycling And 2nd Life Apps | Department of Energy](#)

batteries and has already updated existing programs to ensure lifecycle analysis studies will be conducted on newly deployed systems, ensuring that recyclability will be a priority for the **MI Healthy Solar for All** awards.

1.5 Project Deployment Technical Assistance Strategy

1.5.1 Description of Workforce Development Strategy

To meet the surge in demand for solar installations – both residential and community solar – created by this program, Michigan anticipates the need for a significant increase in skilled solar market workers. To ensure workforce participation from LIDAC participants, Michigan aims to expand equitable access to recruit workers through targeted outreach with trusted, local community partners, train workers in market-leading, worker-focused training and apprenticeship programs, place workers in high-quality, long-term careers that prioritize worker rights, and retain workers by ensuring wrap-around services that enable LIDAC workers to enter and stay in training programs.

1.5.1.1 Equitable Outreach and Access

To ensure equitable access to workforce training programs for LIDAC members, Michigan plans to use culturally sensitive, localized outreach strategies through existing Michigan workforce development programs and trusted, local, community organizations. Michigan will utilize and expand upon the existing Michigan workforce development program’s outreach channels to reach a broader spectrum of potential candidates. To ensure equitable access for all LIDAC households, outreach will also focus on geographic diversity to ensure the inclusion of rural and underserved communities. Michigan will leverage 16 existing local Michigan Works Agencies (NWA)⁵⁶ that work directly with communities to provide services and support to Michigan’s workforce development, as well as explore other outreach routes with Michigan CBOs.

Michigan also intends to build on, and collaborate with, existing relationships with external partners such as non-profit organizations, unions, community colleges and those with lived experiences to leverage existing outreach channels and identify any gaps in outreach that can be addressed by relying on existing partnerships. Michigan intends to collaborate with trusted partners in the CBOs in the relevant communities to source talent to ensure that outreach efforts originate from a reputable source.

1.5.1.2 Training

To meet the changing needs of the solar market, Michigan will create and fund a solar market ‘sector hub.’ The Michigan Department of Labor and Economic Opportunity (LEO) uses sector hubs to bring together key stakeholders in an industry, including businesses, trade groups, unions, non-profits, workforce development programs, and community colleges, to identify workforce education gaps and to create solutions that help prepare workers to meet current and future demands of their industry.⁵⁷ These partnerships help to identify necessary skills, training, and qualifications as the industry changes and grows. A solar market hub will align technician vocational training programs through regular stakeholder meetings that promote collaboration between solar industry employers, vocational training programs, and regulatory bodies. By

⁵⁶ [Michigan Works!](#)

⁵⁷ [Get Into Energy Michigan](#)

leveraging and expanding such partnerships, Michigan aims to train a diverse workforce ready to support the **MI Healthy Solar for All** program and the solar market more broadly.

Once training and needed skills are identified, LEO can leverage its multiple workforce development programs to train interested solar market workers. Examples of internal Michigan workforce development programs include LEO's Going Pro Talent Fund which makes awards to employers to assist in training, developing, and retaining current and newly hired employees. Through an application process, LEO's Going Pro Talent Fund can identify employers in need of funds to train employees with necessary solar worker skills and certifications.

LEO also supports a Registered Apprenticeship training model that combines job-related, classroom-based learning with paid on-the-job training in high-skill, high-wage, in-demand industry occupations. Each Registered Apprenticeship program requires progressive wages as the apprentice's skills and productivity increase. Youth in Michigan can also complete and obtain a Michigan Apprenticeship Readiness Certificate (MARC) which will decrease the required hours necessary to complete an apprenticeship program.

Michigan will leverage the Workforce Development Institute (WDI), a non-profit affiliate of the Michigan State American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) tasked to combat economic injustice by connecting the unemployed with the training and resources necessary to find employment. The WDI Access for All Apprenticeship Program creates opportunities for underserved communities to access in-demand and high-wage careers by providing the skills to compete for entry into registered apprenticeship programs.

1.5.1.3 Place

Michigan will work to ensure workers are placed in high-quality, high-wage careers. To ensure vendors used for **MI Healthy Solar for All** program are hiring workers who come out of these programs, vendors will be shown preference if committing to specific criteria to be chosen by Michigan during the planning year. The criteria could include a combination of certain parameters such as hiring a certain number of trainees, apprentices, local hires, diverse labor, and/or union labor. For further information on how the **MI Healthy Solar for All** program will ensure placement for trained workers in high-quality, high-pay jobs, see section 1.2.6.

1.5.1.4 Retention

To ensure participation from LIDAC households, Michigan will employ a retention strategy that speaks to the specific and unique needs of low-income individuals. Michigan will encourage the use of wrap-around services within training programs such as childcare, transportation, case management, and on-the-job training support and mentorship. Existing Michigan workforce development programs, such as LEO's Going Pro Talent Fund, already have successful wrap-around service requirements. Michigan will also work with training programs to ensure skills, training, and certifications are transferable across various industries to provide participants with a diverse skill set that can be used long-term. Michigan will also work with stakeholders to continually review needed skills to ensure participants are being trained with up-to-date curriculum and certifications that can be leveraged over the long term.

1.5.2 Description of Interconnection Strategy

As Michigan aims to scale solar installation to LIDAC households, there will be increased interconnection demand for the state's electric utilities and the grid. Thanks to a recently completed update to Michigan's interconnection standards, Michigan is well positioned to

maximize SFA funding (see section 1.3.3). To overcome any additional interconnection process challenges, Michigan plans to deploy technical resources to assist developers in navigating these challenges, while continuing to engage the MPSC and utilities to improve the interconnection process.

On July 7, 2022, the MPSC published an order to initiate the Distribution System Data Access (DSDA) workgroup at the request of the Michigan State Senate in Senate Resolution 143. The DSDA workgroup collaborated with EV charging owners and operators, DG developers, and utilities to release a Grid Integration Study on June 30, 2023 focused on the expansion of EV charging infrastructure and DG systems.⁵⁸ The Grid Integration Study investigated the impact of EV charging and distributed energy on the distribution system, projected the growth of DG systems and EVs in Michigan, assessed the need and impact of new technologies, and recommended what types of utility collected circuit-level distribution data should be made more accessible to the public to inform customers and infrastructure developers on where to interconnect additional DG and EV infrastructure.⁵⁹

The recommendations in the Grid Integration Study would improve the interconnection process in a variety of ways, including introducing a ‘fast track’ option for projects >5MW to potentially bypass the lengthy interconnection study process, fee caps for pre-applications, fast-tracking initial review fees, and clear expectations on timelines for application reviews and interconnection studies. The standards recommended by the Grid Integration Study would require utilities to publish downloadable interconnection queues with application status updates, a feature that would provide helpful transparency to participants in the **MI Healthy Solar for All** program.

In the planning year, Michigan will explore incentive structures to encourage utilities to provide benefits to applications such as fast-tracking applications or encouraging utilities to refresh hosting capacity maps more frequently. This partnership will also leverage assistance programs including the DOE’s i2x program.⁶⁰

1.5.3 Additional Technical Assistance Strategy

1.5.3.1 Solar Deployment Studies

To assist stakeholders and Michigan in better understanding the solar market landscape, Michigan will complement and leverage existing funding through EGLE’s various programs and commission various statewide studies, likely via university, CBO, and/or contracted partners, to assist developers in navigating the challenges of solar deployment. While exact topics will be informed by stakeholder input and key program design questions, these studies may include:

- Research to identify favorable locations for community solar.
- A landscape analysis of existing and planned workforce development, weatherization, and outreach programs across the state to better inform strategy of how to braid together different state and federal programs.
- Studies to understand the current solar and energy storage supply chain to understand where gaps may exist.

⁵⁸ [MPSC Electric Grid Integration Study article](#)

⁵⁹ [Distribution System Data Access](#)

⁶⁰ The [US DOE’s i2x program](#) convenes diverse stakeholders involved in the interconnection of solar energy, wind energy, and energy storage resources to facilitate peer-learning and knowledge exchange

1.5.3.2 *Permitting Process Support*

Michigan intends to provide resources to local governments such as training, educational materials, and funding. Local governments will have the opportunity to receive funding to train and/or hire additional inspectors and permit staff to handle the increasing number of applications, reducing the time it takes to approve permits. Local governments may also use support under the **MI Healthy Solar for All** program to procure tools like SolarAPP+ to streamline the permitting process and cut costs. Further, Michigan will leverage existing work done in collaboration with the University of Michigan, including guidelines and recommendations for local governments to adopt in updating their permitting systems, aimed to enhance permit issuing efficiency and reduce expenses for stakeholders. This includes the recent June 2023 Grid Integration Study Report published by the MPSC⁶¹ as well as the Michigan zoning database regularly updated in partnership with the University of Michigan to assist stakeholders in navigating zoning ordinances.⁶²

1.5.3.3 *Leveraging Existing Technical Assistance*

Michigan plans to connect stakeholders with existing federal technical assistance programs through a central website. Existing national and federal technical assistance programs that may be leveraged include DOE i2x⁶³, SolarAPP+,⁶⁴ SolSmart,⁶⁵ State Funding Readiness Project,⁶⁶ National Community Solar Partnership (NCSP), EPA's EJTCTAC,⁶⁷ and EPA's RE-powering America's Land Initiative.⁶⁸

Further, Michigan will draw on existing relationships with the state's seven investor-owned utility companies (see Table 7 for list) to ensure **MI Healthy Solar for All** stakeholders are efficiently sited and permitted. During the planning year, Michigan will engage with utility companies across Michigan ensure appropriate and consistent procedures for stakeholder engagement on project siting, community benefits agreements, land use and zoning requirements, and further land use and environmental concerns. Based on existing efforts by the utility companies to support solar efforts across the state (see section 1.1.4.4) Michigan anticipates utility support for building an efficient deployment process for eligible community members.

1.5.3.4 *Pre-Construction Funding and Financing*

The **MI Healthy Solar for All** program will leverage grants and financing strategies to fund or finance pre-construction studies, including but not limited to, feasibility studies for MF properties, environmental impact studies, and climate resiliency studies. Funding or financing used for this purpose will, in addition to funding available through the **MI Healthy Solar for All** program, leverage public and private sources of capital. Depending on the funding source, these resources may be offered directly by the SOM, a related program, or a third-party finance provider. To further incentivize development on brownfields, Michigan will build upon existing databases to develop a map that identifies favorable solar development sites across public and

⁶¹ [MPSC Report \(force.com\)](#)

⁶² [Michigan Zoning Database](#)

⁶³ [US DOE's i2x program](#)

⁶⁴ [Tool that automates plan review, permit approval, and project tracking for eligible rooftop solar systems.](#)

⁶⁵ [Technical assistance program that helps local governments and regional organizations meet national best practices.](#)

⁶⁶ [Provides free rapid response technical assistance to help states leverage federal investments from IJJA and IRA.](#)

⁶⁷ [Grant funding to establish technical assistance centers providing technical assistance, training, and related support to communities with environmental justice concerns.](#)

⁶⁸ [Provides resources to encourages renewable energy development on current and formerly contaminated lands.](#)

private land. Michigan plans to leverage Public Acts 108 and 109 of 2023, which provide a lower tax burden for solar projects located on brownfields.⁶⁹ Additional funds will be set aside to meet ad-hoc stakeholder needs earmarked to assist stakeholders in meeting challenges that arise throughout the duration of the program.

1.6 Equitable Access and Meaningful Involvement Plan

1.6.1 Reaching All Communities

A core component of ensuring equitable and meaningful community participation will be consultation with the Michigan Advisory Council on Environmental Justice (MACEJ). EGLE will, through the Office of the Environmental Justice Public Advocate, consult the MACEJ at multiple stages of the **MI Healthy Solar for All** program development process. Members of the MACEJ represent an intentional combination of frontline activists, advocacy organizations, academia, tribal representation, local governments, business and industry, public health, and labor.

To maximize solar deployment across LIDAC households, the equitable access and customer acquisition strategy will need to prioritize intentional engagement and internal coordination. Aligning stakeholders across Michigan and learning from organizations focused on community representation and installation practicality will allow Michigan to develop a program that meets communities where they are. The components of the strategy, as described above and to be elaborated on below, include the following: 1) prioritizing equitable community outreach efforts providing financial assistance; 2) simplifying enrollment processes; 3) prioritizing workforce development 4) providing long-term support.

1.6.1.1 Community Outreach

Michigan will prioritize community outreach efforts to ensure that all communities, particularly historically underserved households, are aware of the program and have the information and resources needed to participate fully, with particular attention paid to literacy and language barriers. Michigan will leverage consultation with the MACEJ, grassroots organizations, community institutions, e.g., churches, community centers and schools and CBOs to enable community representatives with the information and means to conduct outreach activities with their direct communities. Michigan will include targeted outreach to CBOs, partnerships with local leaders and advocates, and utilize community meeting spaces to provide educational sessions about the program.

1.6.2 Participatory Governance

During application development, EGLE engaged the MACEJ, as well as the MPSC and other Michigan state agencies, local solar developers, utilities, trade groups, non-profits, and CBOs to provide initial input and support. Engagement with these groups and others will continue throughout the planning process and program implementation.

The CBOs will be a direct line to Michigan communities. Michigan will prioritize funding to build capacity and resources to execute intentional, equitable engagement activities within their communities. This engagement will function as a means for soliciting feedback from local communities to bring their voice to the table regarding program design and implementation. CBOs will also help in identifying the best ways for EGLE to provide awareness, education, and

⁶⁹ [2023 House Bill 4317](#); [2023 House Bill 4318](#); [2023 Senate Bill 0289](#)

resources on a community level. Michigan will align its consultation work with CBOs with existing stakeholder engagement work being done across the state.

Additionally, Michigan plans to leverage our existing recurring climate-related forums with Tribal representatives to allow federally recognized Tribal communities across the state the opportunity to participate in program decision making. Specifically, EGLE has both a quarterly cadence and monthly cadence of discussions, both focused on climate related topics, which Michigan will use as a vehicle for discussing program elements and the needs of Tribal communities.

The **MI Healthy Solar for All** program will also leverage the MPSC's existing LIEPB. The MPSC's LIEPB includes participation by historically marginalized communities and coordinates efforts across state government to develop cohesive energy affordability policies designed to serve low-income energy customers.

1.6.3 Meaningful Engagement

Michigan's community engagement planning will begin at the start of the one-year planning period to ensure that communities are provided with sufficient time to inform and shape the program. Michigan's approach will be sustained through ongoing community engagement, allowing for partnerships, relationships, and trust to strengthen. Michigan will provide a two-way engagement approach that allows community stakeholders to influence program design and implementation. These strategies include, but are not limited to, holding meetings in existing community gathering places near public transportation routes on nights and on weekends to accommodate the needs of as diverse a group as possible.

Michigan will consult with the MACEJ and CBOs to learn about community nuances that will impact the success of Michigan's outreach efforts, such as identification of trusted community voices, access to technology-based and digital information, educational barriers, cultural barriers, and language barriers. Where possible, Michigan will look to align program design and purpose with existing state initiatives to help avoid stakeholder fatigue that can be present when multiple community efforts are ongoing. Input will be sought using a variety of methods, with the MACEJ, impacted community members, and CBOs informing outreach approaches and strategies, potentially including, community forums, community and sector specific surveys, public event informational tabling, webinars, and notifications at town or city events. Specifically, the program will provide compensation for CBOs to provide program input based on lived experience and community needs (see section 2.1).

1.6.4 Customer Acquisition Strategy

1.6.4.1 Community Partnerships and Income Verification

Michigan will leverage work that has already been done to verify and validate low-income households. Coordinating with state programs such the WAP and energy programs within EGLE, Michigan will reference existing lists of eligible customers from these programs and develop a plan for how to integrate or expand those lists. As Michigan streamlines the enrollment processes, it will work to identify ways to weave eligibility verification into the application process, simplifying the customer experience.

1.6.4.2 Customer Acquisition

Michigan will leverage a decentralized approach to recruitment of program participants. It will be critical to work with affordable housing providers and community lenders throughout,

especially as relates to participant recruitment. Michigan will prioritize expanding and building relationships with local organizations to help align to their identification and verification protocols and will leverage their leading practices for engaging with communities.

Further, Michigan plans to develop a referral program to financially incentivize CBOs to refer community members to the program. Program design and identification of eligible CBOs will be developed in consultation with the MACEJ. Existing relationships developed from the sub-awards from the CPRG program and the Office of Climate and Energy's Justice40 Technical Assistance program, which will be launched in 2024, may be leveraged to help build the capacity of CBOs to participate in climate-related program development and implementation.

As described in section 1.4.4, Michigan will provide financial incentives for LIDAC households to join the program. This may include financial assistance for solar panel installations, tax incentives, rebates, among other financial supports.

1.6.4.3 Simplified Enrollment Process

Michigan will establish a dedicated internal working group to identify opportunities to consolidate the enrollment and application process across multiple state initiatives and funding opportunities, where possible. Michigan will simplify the enrollment process itself based on the responsibilities of the homeowner, contractor, and EGLE. This may include features such as an efficient application process that avoids unnecessary paperwork and confusing terms, a user-friendly online portal that allows households to enroll in the program quickly and easily, as well as liaisons to help guide homeowners through the processes. Michigan will leverage leading practices from state initiatives such as the WAP to capture what works well from their enrollment processes today.

1.6.4.4 Long-Term Support:

Michigan will prioritize long-term financial support for LIDAC households that join the program. This can include ongoing technical assistance, regular check-ins to ensure that installations are working properly, and additional resources and training to help households reduce their energy consumption over time. Michigan will capitalize on the one-year planning period by engaging the MACEJ and other working groups in decision-making to support long-term priorities and initiatives.

1.7 Program Planning Timeline and Workplan Narrative

The SFA Attachment D Program Planning Timeline and Workplan describes in detail the activities to complete program planning for each program strategy section. Attachment D also outlines anticipated services and tools that support program design and stakeholders to be engaged during the program planning anticipated timeline. In all components of the program, best practices and feedback will be solicited throughout the full program duration to continually refine and optimize impact. The section below summarizes the planning period workplan and details how program activities will extend or evolve over the full five-year program delivery period. To guide the planning period, Michigan intends to engage a consultant to aid in the planning to aid in the execution of planning activities and in the development of a request for proposals and scope of work for a third-party administrator to be selected during the second half of the planning year.

1.7.1 Meaningful Benefits

The approach to the Meaningful Benefits Plan, see section 1.2, will begin with EGLE leveraging various tools to assess qualitative and quantitative indicators, such as issuing a request for

information (RFI) to help determine household and project eligibility criteria that ensure the delivery of the meaningful benefits Michigan hopes to deliver through the **MI Healthy Solar for All** program, including household savings, equitable access, grid resiliency, community ownership, and workforce development. EGLE will hold a minimum of four working sessions with stakeholders over the first four months of program planning. Relevant stakeholders include the following: the MACEJ, CBOs, tribal governments, the MPSC and other state agencies, utilities, academic experts, non-profits, impacted community members, and program delivery partners. Additionally, **MI Healthy Solar for All** program planning will be integrated into existing meetings, including the MACEJ monthly meeting, the tribal governments quarterly meeting, the Michigan Council on Climate Solutions quarterly meeting, and the CPRG working group, which plans to meet five times a year.

Concurrently, EGLE will engage stakeholders to determine criteria for community solar projects that ensure a minimum of 20% savings are delivered by holding at least two working sessions. Additionally, during months 5 and 6, EGLE will develop eligibility prioritization criteria specific to battery storage by holding a minimum of two working sessions with stakeholders, such as the Lawrence Technological University clean tech startups, to assess local battery manufacturing capabilities. Data sources including the following will also inform the battery storage prioritization criteria: the Energy Storage Roadmap for Michigan, the Clean Energy Manufacturing Roadmap,⁷⁰ and Evergreen Action reports for battery manufacturing data.⁷¹ Lastly, for local workforce development, a selection process will be issued to source qualified and eligible vendors and, for financing, an approved financing and implementation vendor list prioritizing LIDAC and local businesses will be developed in months 6-12.

Throughout the five-year program delivery period, EGLE and a third-party administrator will monitor the successful attainment of meaningful benefits, including the minimum 20% household savings threshold, and will update criteria accordingly. Stakeholders will be engaged to provide program delivery insights and best practices that may inform criteria adjustments.

1.7.2 Distributed Solar Strategy

The approach to section 1.3 will begin with EGLE and a consulting team performing market research on investment tax credit and other tax credit adders to engage third-party ownership, during the first half of the planning year. Additionally, EGLE will coordinate the state's utilities as the primary stakeholders for DG program planning, interconnection process optimization, and for the understanding of jurisdictional nuances. MPSC rate cases, Integrated Resource Plans (IRPs) and electric distribution and maintenance plans will be leveraged to understand current regulations and utility jurisdictional differences. The program will also seek to understand the condition of the state's electric grid and its ability to accommodate DER and future planned investments to support increased DERs, especially solar, as part of the State's program.

The MPSC and the utilities will continue to be engaged throughout the program to ensure that any DG program alterations and rate changes are incorporated into planning for household savings delivery for rooftop and community solar projects. CBOs, communities, and business leaders will also be engaged to discuss interest in utility-owned community solar solutions.

1.7.3 Financial Assistance Strategy

⁷⁰ [EGLE Reports and Roadmaps](#)

⁷¹ [Evergreen Policy Hub](#)

The approach to section 1.4 will focus on stakeholder engagement to inform the selection of qualified finance partners and to inform the design of financial products and incentives throughout the planning year. EGLE will engage with state agencies, installers, lenders, credit units, CBOs, nonprofits, and municipalities to create additional prioritization criteria for eligible populations for the financial assistance approach, along with refining enabling upgrade needs. In addition, during months 2-6, EGLE, including the CELICA staff, will work with state agencies to engage in a discovery and braiding exercise to establish existing funds and programs that will be leveraged and/or can have funding and benefits stacked with SFA funding, specifically considering CELICA expansion.

EGLE will also engage O&M providers, financial institutions, and state agencies in months 6-10 about the creation and refinement of criteria for sufficient O&M and asset recycling support, establishing standard procedures by the end of the planning year. EGLE will also ensure that program policies are developed that promote the maintenance and affordability of existing housing stock with **MI Healthy Solar for All** installations, including anti-displacement policies, and policies that prevent rapid cost increases for LIDAC.

After collecting stakeholder insights, EGLE will refine Michigan's plan and proposed targets for deployment of residential rooftop solar, associated solar storage, residential-serving community solar, and enabling upgrades. EGLE will justify targets are appropriate given the characteristics and needs of the communities and ensure adequate input from all stakeholders is incorporated in the final plan.

EGLE will set up standard procedures and controls for the receipt and disbursement of SFA funds. This activity will be ongoing throughout the entire program delivery period. Additionally, throughout the five-year program delivery period, O&M providers and financial partners will be required to provide administrative/financial cost and uptake metrics to EGLE so that program budget and outcomes can be adjusted as needed.

1.7.4 Project Deployment Strategy

EGLE will implement their workforce development workplan outlined in section 1.5 by conducting outreach to local MWAs, external partners (non-profit organizations, unions, and community colleges, etc..) to begin identifying and leveraging recruitment pipelines and coordinate on a cohesive recruitment strategy for months 3-12 of the planning phase. EGLE, in partnership with LEO, will also spend the second half of their planning phase coordinating, developing, and funding an 'industry hub' made up of solar market stakeholders to identify workforce needs and gaps and align on training curriculums where they will also decide on the structure of an entrepreneurship program that will support the creation of additional solar market businesses from disadvantaged communities. Months 8-10 of the program deployment workplan will include engagement with the MPSC and utilities to work to identify and solve interconnection challenges for applicants.

To achieve resilient project siting, land-use, permitting, building codes, inspection, and quality control technical assistance, Michigan will commission statewide studies on various components of the Michigan solar ecosystem during the first four months of the planning phase. Michigan will also engage consulting firms, advisory councils, CBOs, and local government officials. Michigan will provide local governments with trainings, resources, and funding to assist in streamlining and modernizing the permitting process during months 5-8. Following these activities, EGLE will update its website and connect stakeholders with existing federal technical

assistance programs, as well as design a CBO referral system to financially incentivize referrals of community members to the **MI Healthy Solar for All** program.

EGLE will utilize training and educational materials for participating organizations to conduct outreach to begin identifying and leveraging recruitment pipelines and align on a cohesive recruitment strategy. EGLE plans to engage CBOs and other key stakeholders to develop the potential criteria for an incentive structure. To provide local governments with trainings, resources, and funding to assist in streamlining and modernizing the permitting process, EGLE will utilize SolarAPP+.

Lastly, MWAs, nonprofits, unions, and community colleges will be engaged in the outreach for workforce deployment to begin identifying and leveraging recruitment pipelines and align on a cohesive recruitment strategy from month 3 onward. This will be continuously evaluated throughout program delivery. Solar businesses, community colleges, trade groups, labor unions, higher education stakeholders, and community organizations will also be engaged to deploy the “industry hub” and provide key performance indicators (KPIs) that will be tracked throughout program delivery. LEO will determine the structure of the entrepreneurship program and provide KPIs from months 7-12.

1.7.5 Meaningful Engagement and Equitable Access

As outlined in section 1.6, to maximize equitable program reach, EGLE will continue to consult with the MACEJ, CBOs and others, at the start of program planning. Michigan will establish a dedicated internal working group to identify opportunities to consolidate the enrollment and application process in months 3-5. EGLE has already engaged multiple stakeholders, including the MACEJ, the MPSC and other state agencies, CBOs, local solar developers, utilities, trade groups, and non-profits during the application development period. Engagement with these groups and others will continue throughout the planning process and program implementation to ensure that the target outputs and outcomes are being met. Michigan will engage with tribal community representatives and organizations for the entire program planning year and will also consult with the MACEJ and CBOs to discuss community related program details throughout the program planning year. Michigan will leverage existing monthly and quarterly sessions to engage with tribal community representatives and conduct listening sessions for groups including, but not limited to, CBOs, local and tribal governments, contractors, and community leaders. In the first two months of the planning year, EGLE will engage with CBOs, community members, and the MACEJ to determine a strategy for providing funding to CBOs for their time and input during the planning process.

To educate and communicate with communities, Michigan will establish a certified contractor pool early in the planning phase. Michigan will establish a work group for relevant state entities and engage with solar companies to gain input on elements such as program practicality and supply chain considerations in the second half of the planning year. In addition, Michigan will conduct listening sessions for groups including CBOs, state entities, local and tribal governments, contractors, and community leaders every 3-4 months during the program planning year. Michigan’s participant recruitment and management strategy includes coordination with programs such as the WAP, MI Lead Safe program, and other relevant programs to determine leading practices for validating LIDAC households for months 3-5 of the planning phase. These practices will then become program delivery standards for continued engagement and execution throughout the five-year program delivery period.

2 Program Administrative Narrative

2.1 Budget Narrative

2.1.1 Description of Budget in Appendix E and SF 424A

Michigan outlines the **MI Healthy Solar for All** budget in Appendix E. Appendix E and the following narrative demonstrate Michigan’s working assumptions for the budget. Michigan plans to refine the budget during the planning period but will use Appendix E as a base for budget expectations. With this proposed budget, Michigan has projected its plan will reach 29,574 households (see Table 1).

Table 11: Budget Allocations (\$ millions)

SFA Grant Allocation	Rooftop	Community	Admin	Total
Financial Assistance (Residential rooftop, residential-serving community solar and associated solar storage)	\$40.0	\$110.0	-	\$150.0
Enabling upgrades	\$37.5	-	-	\$37.5
Project-Deployment Technical Assistance and Program Administration	-	-	\$62.5	\$62.5
Total	\$77.5	\$110.0	\$62.5	\$ 250
Proportion of Spend (%)	31%	44%	25%	100%

2.1.2 Budget Allocation

In Attachment E, Michigan outlines the anticipated direct and indirect costs of the SFA plan over a five-year period. Included in the budget is \$187,500,000 for financial assistance that will go towards residential rooftop solar (\$26,000,000), associated battery storage (\$14,000,000), residential-serving community solar (\$110,000,000) and enabling upgrades (\$37,500,000). This funding will be used to fund the development of residential solar, enabling upgrades and community solar, as well as assist LIDACs in accessing these programs. Attachment E estimates annual spend year over year during program delivery that is subject to change. Michigan does not intend on spending the Financial Assistance budget during the Year 1 planning period, as it is focused on education and outreach. Michigan estimation assumes that 20% of the funds will be spent during Year 2. This financial assistance spend is anticipated to grow to 25% in Year 3, 25% in Year 4 and 30% in Year 5. EGLE expects program uptake to increase from the outreach efforts, continued economic drivers such as increasing electricity costs, and expanding solar policies. This annual budgeting will be adjusted as EGLE monitors actual program uptake and costs year over year.

Michigan has also budgeted \$62,500,000 is allocated towards technical assistance and program administration. Included in this amount is \$1,451,927 for three full time employees to work on **MI Healthy Solar for All** to oversee program administration, \$871,156 for fringe benefits for those employees, \$983 towards travel expenses for any required travel employees may need (with additional travel needs covered through other funding sources). Michigan anticipates over five years, \$116,154 will go to the Department of Technology, Management & Budget (DTMB)

supporting the EGLE SFA project staff. Michigan has additionally allocated \$17,250,000 over five years for program management (estimated \$3,420,000 annually) which in year one may also include consulting support for planning. Energy modeling is anticipated to cost a total of \$600,000 over the entire five years, with higher dollar figures dedicated to this expense in early years. Translation services will cost a total of \$10,000 total over the 5-year program term. Equipment, and repair services, are estimated to be \$36,000 total over the 5-year program and supplies are anticipated to cost \$10,000 total over the 5-year program term. Michigan budgeted \$41,766,986 or \$8,353,397 annually to cover other direct costs. These costs are estimated to include: \$22,474,124 over five years (\$4,494,825 annually) for community assistance, in the form of education, outreach, marketing, CBO engagement funding, general customer support services, and potential local government grants; \$10,720,000 (\$2,144,000 annually) for workforce training and industry development; \$1,670,000 (\$334,000 annually) for the workforce and industry sector hub through LEO; \$2,865,000 (\$573,000 annually) for qualified vendor management, \$4,037,863 (\$807,573 annually) for monitoring, performance, and compliance operations. Finally, Michigan will allocate \$386,793 to indirect costs based on Michigan's FY24 indirect rate of 16.65%.

2.1.3 Procedures and Controls

As stated in section 1.4, EGLE will ensure the distribution and use of funds are following standard procedures and controls. During the planning period, EGLE will utilize Michigan's Office of Internal Audit Services (OIAS) to create standard procedures and controls related to segregation of duties, access controls, reconciliation processes, technical system configuration, levels of authorization, and management review. EGLE will create standard processes for awarding funds and create a Risk and Control Matrix (RACM) for the allocated funds. EGLE will monitor the budget to ensure the funds are awarded efficiently and in the most cost-effective manner while following the established controls.

2.2 Fiscal Stewardship

2.2.1 Fraud, Waste, and Abuse Prevention and Reduction

EGLE is committed to complying with the grant's terms and conditions, as well as applicable federal, state, and local consumer protection laws. EGLE will have comprehensive policies and procedures in place to ensure robust risk management across its activities to prevent fraud, waste, and consumer abuse, and to prudently manage grant funds. These policies and procedures will apply to all EGLE employees, applicable third-party service providers, and other relevant authorized representatives of EGLE.

As Michigan has previously done when receiving Federal grant awards, we will draw upon current control and grant processes and develop a governance and risk management function in accordance with the CFR to fulfill the grant's fiscal stewardship requirements.

At its core, this risk management function will do the following: serve to proactively manage funds in alignment with their appropriate use and mitigate any potential risk of fraud, waste, and abuse; provide a robust oversight framework in place for any federal funds received which supports documenting grant awards that have been/are being spent (including by partners that receive an allocation of the federal aid as a subrecipient, contractor, etc.) in compliance with requirements and governing rules and regulations; and enable ongoing compliance throughout

the grant term through activities such as conducting risk assessments and oversight and monitoring of any third parties (sub-recipients, contractors, etc.).

2.2.2 Consumer Protection

Michigan will adhere to applicable consumer protection laws, including the consumer protection laws and federal consumer protection and consumer financial laws, such as laws prohibiting unfair, deceptive, and abusive practices. In the event program partners or other third parties directly interact, transact, or contact consumers as part of the program, EGLE will provide written materials detailing expectations for these partners and entities to comply with the grant terms and conditions as well as all applicable federal, state, and local jurisdiction consumer protection laws pertaining to their relationship. EGLE will ensure appropriate oversight of these parties under our Service Provider Oversight Policy, which governs the oversight and risk management of all EGLE's service provider relationships. In addition, it is EGLE's policy to complete due diligence of service providers before entering relationships with them and to conduct monitoring activities to ensure their compliance with all applicable laws and regulations.

Additionally, to ensure household savings materialize Michigan will establish a bill audit or spot-check procedure in coordination with applicable stakeholders and customers. The full process will be determined during program planning to draw on audit best practices and procedures in EGLE and with EPA guidance.

2.3 Reporting Plan

2.3.1 Program Performance Reporting Requirements

EGLE will fulfill the grant's reporting requirements, including tracking and measuring progress in achieving expected environmental outputs and outcomes. EGLE understands that EPA plans to establish program performance reporting requirements consistent with 2 CFR § 200.329 in the terms and conditions of the grant award. EGLE will report on an ongoing basis, the underlying methodologies, technologies, data sources, inputs and assumptions, and other significant analytical choices used to calculate or estimate outputs and outcomes.

EGLE acknowledges that reporting requirements during the period of performance will be established in the grant's terms and conditions, and reporting requirements after the period of performance will be established in the Closeout Agreement. EGLE understands that EPA plans to provide reporting templates to assist grantees with compliance against select program performance requirements. EGLE recognizes that EPA will only collect reporting information from the grantee (rather than from any subrecipients), and that the SOM may be required to collect reporting information from subrecipients.

2.3.2 Tracking and Measuring

EGLE will work collaboratively with EPA to ensure that the proposed measurements and methods of tracking and measuring outputs and outcomes meet EPA standards and will revise and update these approaches as needed. All measures and means of deriving these will follow relevant federal and state statutes surrounding privacy and any other data access restrictions. Reporting on all measurements will follow EPA guidance and be published annually within 30 days of the end of each reporting period, as well as a final program report, within 120 days after the end of the project period. EGLE will discuss further reporting needs with EPA.

EGLE will use foundational climate impact data, including a current EGLE-led, economy-wide GHG inventory, to fulfill grant reporting requirements, as well as build in additional reporting capacity to all grant components and any sub-grants. Any metrics or data sources not currently used will be prepared during the SFA planning period and established in accordance with EPA standards. EGLE acknowledges that EPA will work with recipients to develop a standardized methodology for measuring and estimating outcome metrics which may include standardized equations, tools such as EPA's Avoided Emissions and Generation Tool (AVERT), and standardized assumption sources. Below are some key outcomes and proposed data sources/methods. This is not an exhaustive list of data or sources and may be adapted based on new data and discussions with the EPA. All reporting regularity will be in accordance with EPA requirements and with awareness of data privacy.

- EGLE will track and measure the amount of capacity of solar deployed using year-over-year solar capacity and deployment data provided by Michigan utility companies, DTE Energy and Consumers Energy, in collaboration with the MPSC. Data may further be gained from the EIA.
- EGLE will track and measure the amount of capacity of solar and storage deployed using year-over-year storage capacity data provided by utility companies, such as DTE Energy and Consumers Energy, in collaboration with the MPSC. Data may further be gained from the EIA.
- EGLE will track and measure the number of households served by developing a framework for tracking funding dissemination to the household level. This framework will include requirements for subgrantees, contractors, or any other administrators of services through the **MI Healthy Solar for All** program, to report on installations.
- EGLE will track and measure the amount of projected annual carbon dioxide (CO₂) emissions avoided (short tons) via an annual inventory using a variety of online tools, projections, and reported information, including but not limited to Michigan Greenhouse Gas Inventory Projections as established during the state's Priority Climate Action Plan development, EPA's AVERT, and comparisons to EIA-reported electricity and natural gas consumption values. Further data from Michigan utility companies and the MPSC may be used to tailor grant contribution results based on annual home usage and emissions reporting across pre- and post-installation years.
- EGLE will track and measure the amount of annual household savings realized by Collecting individual level utility bill data from SFA funding from recipients, aggregating it for privacy, and then comparing average utility bills for those served by the SFA program to the average in each respective utility service territory.

EGLE will also develop standardized reporting templates, FAQs, and guidance documents, along with hosting technical assistance sessions (e.g., webinars and public meetings) to educate grantees and vendors on reporting requirements, drive consistency in information reported upon, and streamline administrative barriers.

3 Administrative Reporting Requirements

EGLE acknowledges that it will be subject to several administrative reporting requirements, which will be included in the grant's terms and conditions. EGLE acknowledges that these requirements will include, but will not be limited to the below reports:

- **Federal Financial Report:** In accordance with 2 CFR § 200.328 and 2 CFR § 200.344, EGLE agrees to submit the Federal Financial Report (SF-425) at least annually and no more frequently than quarterly. The frequency of reporting and report submission instructions will be specified in the terms and conditions.
- **Single Audit:** In accordance with 2 CFR § 200.501(a), EGLE agrees to obtain a single audit from an independent auditor, if their organization expends \$750,000 or more in total federal funds. EGLE agrees to submit the form SF-SAC and a Single Audit Report Package within nine months of the end of the SOM’s fiscal year or 30 days after receiving the report from an independent auditor. The SF-SAC and a Single Audit Report Package will be submitted using the Federal Audit Clearinghouse’s Internet Data Entry System available at: <https://facides.census.gov>.
- **Financial Records Retention:** In accordance with 2 CFR § 200.334, EGLE agrees to retain financial records, supporting documents, statistical records, and all other non-federal entity records pertinent to the grant award for a period of three years from the date of submission of the final expenditure report.
- **MBE/WBE Utilization:** When required, EGLE will complete and submit a “MBE/WBE Utilization Under Federal Grants and Cooperative Agreements” report (EPA Form 5700-52A) on an annual basis.
- **Real Property Status Report:** In accordance with 2 CFR § 200.329, EGLE will submit a “Real Property Status Report” (SF-429) to report real property status or request agency instructions on real property that was/will be provided as Government Furnished Property (GFP) or acquired (i.e., purchased or constructed) in whole or in part under a federal financial assistance award.

4 Programmatic Capability and Environmental Results Past Performance

Attachment F displays a list of five EPA funded assistance agreements that EGLE successfully performed in the last three years. EGLE’s central Federal Aid unit works in collaboration with division program and budget staff to successfully manage applications, draws, and reporting requirements. If issues arise, EGLE staff work with EPA program contacts to resolve. Individual divisions administering an award are responsible for completing reporting requirements in a timely manner. If any division has issues completing required reporting, the EGLE contact reaches out to the EPA program contact to notify/resolve. EGLE’s central Federal Aid unit has more than five years of experience assisting with federal grant application, managing federal fund draws, and assisting with reporting as needed. Program staff that will be responsible for administering the SFA grant are currently managing multiple federally funded programs as well as numerous state and federally funded energy-related programs.