

State of Michigan  
Department of Licensing and Regulatory Affairs  
Michigan Public Service Commission

# Low Carbon Energy Infrastructure Enhancement and Development Grant

2022

## REQUEST FOR PROPOSALS

ESTIMATED TIMELINE	
Issue Date	September 30, 2022
Inquiries Due (round one)	October 21, 2022
Reponses to Inquiries Posted	November 4, 2022
Inquiries Due (round two)	November 11, 2022
Responses to Inquiries Posted	November 23, 2022
Proposals Due	January 6, 2023
Proposals Posted Publicly	January 13, 2023
Public Comment Period End Date	February 27, 2023
Modified Proposals Due	March 14, 2023
Modified Proposals Posted Publicly	March 17, 2023
Anticipated Grant Start Date	July 3, 2023



## Table of Contents

<b>PART I: GENERAL GRANT INFORMATION.....</b>	<b>3</b>
<b>PART II: GENERAL PROVISIONS .....</b>	<b>8</b>
<b>PART III: WORK STATEMENT .....</b>	<b>19</b>
<b>PART IV: PROJECT CONTROL AND REPORTS .....</b>	<b>23</b>
<b>PART V: INFORMATION REQUIRED FROM APPLICANT .....</b>	<b>26</b>
<b>PART VI: EVALUATION AND SELECTION CRITERIA .....</b>	<b>30</b>
<b>ATTACHMENTS .....</b>	<b>32</b>

## **PART I: GENERAL GRANT INFORMATION**

### **I-A Statement of Purpose**

Public Acts [53](#) and [166](#) of 2022 require the Michigan Public Service Commission (MPSC) to develop a low carbon energy infrastructure enhancement and development grant program for businesses, nonprofit organizations, and local units of government for the purposes of planning, developing, designing, acquiring, or constructing low carbon energy facilities, which may include, but are not limited to, natural gas facilities, combined heat and power facilities, renewable natural gas facilities, and electrification programs.

Applications for this grant will be prioritized and approved based on the following criteria:

- a) Are supported by a cost-benefit analysis.
- b) Facilitate the largest number of end-use customers achieving access to low carbon energy facilities at the lowest total cost.
- c) Reduce customer energy cost burdens.
- d) Support the reduction of emissions.

Per Public Acts 53 and 166, it is the MPSC's intent to post all applications, unredacted, to <https://www.michigan.gov/mpsc/commission/low-carbon-energy-infrastructure-enhancement-and-development-grant> by January 13, 2023. Local units of government, environmental groups, and business interests directly affected by the proposal will have a 45-day window to comment. Applicants will then have 15 days to revise their proposals if they so choose. The final deadline for revised or modified proposals is March 14, 2023. Further instructions will be posted to <https://www.michigan.gov/mpsc/commission/low-carbon-energy-infrastructure-enhancement-and-development-grant>.

### **I-B Grant Award**

The purpose of the project is to support low carbon energy infrastructure projects. Up to \$50,000,000 awarded in one or more tranches may be available. The amounts awarded will be at the discretion of the MPSC.

The grants that may be entered into will be based on the RFP evaluation and selection criteria provided in Part VI.

Applicants must provide a complete budget using the Approved Budget Form (see Attachment 1). Budgets must be itemized and be accompanied by a budget narrative (see Attachment 2) which adequately describes each budget category.

Applicants are encouraged to disclose whether they will use matching funds for the project(s).

The MPSC will award funds to selected applicants that agree to the terms set forth in this RFP and the Grant Agreement. The MPSC, which is an agency within the Department of Licensing and Regulatory Affairs (LARA), will be the primary contact with applicants and grantees and negotiate the scope of work, budget and potential revisions, reporting periods, report format, and reporting content. All other requirements are non-negotiable. Funds from the first tranche must be expended by September 30, 2026.

### **I-C Eligibility Requirements**

To be eligible to receive a grant under this request for proposals (RFP), the applicant must be a business, nonprofit organization, local unit of government, or Tribal government.

Grant applicants must do all of the following to be considered for an award:

- a. Perform an impact study that includes an analysis of potential cost savings, environmental impacts, and local economic benefits of the proposed low carbon energy facilities or programs. A utility, at its sole discretion, may prepare a single impact study covering the utility's service territory that accounts for likely proposals, evaluates regional opportunities, and minimizes or

eliminates the need for repetitive studies. Sufficient detail must be provided in the study to allow the MPSC to evaluate each low carbon energy facility or program proposed.

- b. Submit a proposal that details the associated costs and benefits of the proposal, including all of the following:
  - i. The cost impact to potential new customers, including a cost-benefit analysis demonstrating the impact and cost savings to customers that are directly part of the infrastructure development proposal. The cost-benefit analysis must include all of the following:
    - A. A summary of the project, including detailed cost estimates for completion, project timing, and locations impacted.
    - B. A prospective list outlining the volume of potential customers that would be impacted by the project development.
    - C. A comprehensive analysis of prospective customers' energy costs using those customers' current energy source versus the proposed new energy source and other alternative energy sources that may be available, including all of the following:
      - I. The forecasted annual energy costs of a customer's current energy source in direct comparison with the proposed new energy source and other alternative energy sources that may be available.
      - II. Any installation or project costs that are the customer's responsibility.
      - III. A detailed comparison of the scope 1, scope 2, and scope 3 emissions, as defined by the Environmental Protection Agency, associated with the energy source within the proposal versus the current energy source being used by prospective customers and other alternative energy sources that may be available, including all of the following:
        1. The calculated emissions savings for an average customer under the different energy source options.
        2. Any supporting details for the emissions calculation, including any models and detail on assumptions.
  - ii. An analysis to demonstrate impact on the local economy and this state's economy, including all of the following:
    - A. The number of jobs created during the project.
    - B. The potential impact to the small business community within the local area where the grant or loan is proposed to be spent.
    - C. The cost savings to other customers due to the grant being used to supplement spending and revenue in other areas.
  - iii. A detailed summary indicating any support from customers and communities associated with the project plans for the infrastructure development, including all of the following:
    - A. Any outreach campaigns or events conducted, including dates, times, and number of households reached.
    - B. A list of any customers or businesses that have expressed or signaled interest in supporting the project development.
  - iv. An analysis of the anticipated community health impacts related to the proposed low carbon energy facility.

## I-D Issuing Office and Point of Contact

This RFP is issued by the MPSC, an agency within LARA. MPSC is the point of contact for this RFP for purposes of grant administration. Questions that arise as a result of this RFP must be submitted to the MPSC by email only. Telephonic questions cannot be answered. All questions must be submitted in accordance with the schedule below. All questions regarding this solicitation should be directed to:

Lynn Beck, MPSC Grant Administrator

Email: [LARA-MPSC-LowCarbonGrants@michigan.gov](mailto:LARA-MPSC-LowCarbonGrants@michigan.gov)

TIMELINE FOR INQUIRIES	
Inquiries Due (round one)	October 21, 2022
Reponses to Inquiries	November 4, 2022
Inquiries Due (round two)	November 11, 2022
Responses to Inquiries	November 23, 2022

Written answers to questions will be posted at: <https://www.michigan.gov/mpsc/commission/low-carbon-energy-infrastructure-enhancement-and-development-grant> on the dates specified in the table above.

No pre-proposal conference will be held for this RFP. Any inquiries should be submitted as outlined in this section.

## I-E Proposals

To be considered, applicants must submit a complete response to this RFP using the format specified in Part V: Information Required from Applicant. A PDF document of the signed proposal must be submitted to the Issuing Office email box. Proposals must be original, and the proposal cannot be funded in part or whole by another entity without the MPSC's consent. An official who is authorized to bind the applicant to its provisions (an "Authorized Negotiator") must sign the proposal. For this RFP, the proposal must remain valid for at least ninety (90) calendar days.

## I-F Due Date

To be considered for a grant award, a proposal must be received in the Issuing Office no later than **12:00 PM on January 6, 2023**. Proposals must reference "2022 Low Carbon EIED Grant." **Proposals must be submitted electronically** to [LARA-MPSC-LowCarbonGrants@michigan.gov](mailto:LARA-MPSC-LowCarbonGrants@michigan.gov). A confirmation will be sent by the Issuing Office within one business day of receipt. If a confirmation is not received, applicant must contact the MPSC Grant Administrator identified in Section I-D, Issuing Office and Point of Contact. Electronic submission of PDF documents cannot exceed 30 MB. **Mailed, hand delivered, and faxed proposals will not be accepted.** Additional information pertaining to the proposal received after the due date and time will not be accepted.

## I-G Project Clarifications/Revisions

During the proposal review process, applicants may be contacted for clarification and for the purpose of negotiating changes in project activities, timetables, and budgeted costs. The Issuing Office reserves the right to award funds for an amount other than that requested and/or request changes to, or clarification of, the proposed project.

## I-H Rejection of Proposals

The MPSC reserves the right to reject any and all proposals received as a result of this RFP or to negotiate separately with any source whatsoever in any manner. The MPSC will not pay for the information solicited or

obtained as a result of a consultant/vendor's response to any RFP.

#### **I-I Incurring Costs**

The State of Michigan is not liable for any costs incurred by an applicant prior to signing of a Grant Agreement.

#### **I-J Inquiries**

Questions that arise as a result of this RFP must be submitted **according to the timeline presented in Section I-D, Issuing Office and Point of Contact**. Any inquiries outside of the timeline stated will not be responded to. Inquiries may be submitted electronically to the MPSC Grant Administrator at [LARA-MPSC-LowCarbonGrants@michigan.gov](mailto:LARA-MPSC-LowCarbonGrants@michigan.gov). All inquiries should reference "2022 Low Carbon EIED Grant."

Inquiries will be responded to and posted on the MPSC website at <https://www.michigan.gov/mpsc/commission/low-carbon-energy-infrastructure-enhancement-and-development-grant>.

#### **I-K Changes to the RFP**

Written answers to questions that change or substantially clarify the RFP will be provided to all prospective applicants on the MPSC website at <https://www.michigan.gov/mpsc/commission/low-carbon-energy-infrastructure-enhancement-and-development-grant>.

#### **I-L Acceptance of Proposal Content**

The contents of this RFP and the proposal of the selected applicant may become grant obligations if a grant award ensues. Failure of the selected applicant to accept these obligations may result in cancellation of the award.

The successful applicant(s) will be required to accept all terms and enter into a Grant Agreement with the MPSC within 45 calendar days of being notified of funding availability. Should an applicant fail to accept the award within 45 days, the MPSC reserves the right to rescind the award.

The Grant Agreement consists of standard contract language, applicant's work plan, timetable, and budget information, a compensation clause that adheres to guidelines in this solicitation, and terms and conditions that outline additional requirements.

#### **I-M Economy of Preparation**

Proposals should be prepared providing a straight-forward, concise description of the applicant's ability to meet the requirements of the RFP. Colored displays, promotional materials, and so forth, are not desired. Emphasis should be on completeness and clarity of content.

#### **I-N Prime Applicant Responsibilities**

The selected applicant (Recipient) will be required to assume responsibility for all grant activities offered in their proposal whether or not the grant applicant performs them. Further, the MPSC will consider the selected applicant to be the sole point of contact for all grant matters, including but not limited to payment of any and all costs resulting from the anticipated grant. If any part of the work is to be subcontracted, the Recipient must notify the MPSC and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, descriptive information concerning subcontractor's abilities to carry out proposed activities, Federal Employer Identification Number (FEIN), DUNS number, and/or state license number. The MPSC reserves the right to approve subcontractors for the project and to require the Recipient to replace subcontractors as necessary. To the extent known, detailed subcontractor budgets must be submitted as part of the grant application. If subcontractors are not yet secured at time of application, provide the anticipated costs associated with all subcontracting. Additionally, detailed invoices received from subcontractors to grant recipients could be requested as part of an audit process. The Recipient is totally responsible for adherence by their contractors, subcontractor, independent contractors, and vendors to all provisions of the Grant.

## **I-O Grant Payment Schedule**

Payment for any grant entered into as a result of this RFP will be made according to the following schedule:

An initial advance of 10% of the total grant award will be made to the selected applicant after a Grant Agreement is fully executed.

Reimbursements will be made on a monthly basis pending approved Monthly Financial Status Reports (FSR) as outlined in Section IV-B Monitoring and Reporting Program Performance. Sufficient documentation must be provided for the initial 10% advancement within the first submitted monthly FSR.

Twenty-five (25) percent of the total grant award will be held back pending approval of the Final Grant Report.

## **I-P News Releases**

News releases pertaining to this RFP, Grant, or project to which it relates shall not be made without prior written review and approval and in coordination with the MPSC.

## **I-Q Disclosure of Proposal Contents**

The information in all proposals and any grant resulting from the RFP are subject to disclosure under the Michigan Freedom of Information Act, 1976 Public Act 442, as amended, MCL 15.231, et seq. Per PA 53 of 2022, the MPSC must allow local units of government, environmental groups, and business interests directly affected by the proposal 45 days to review the application and provide comments. All grant applications will be posted, in the entirety, to the grant webpage for public viewing. Neither the MPSC nor the applicant has the ability to redact any information included in the application.

## **I-R Copyrighted Materials**

The selected applicant shall agree to grant to the State a nonexclusive, irrevocable license to reproduce, translate, publish, use, and dispose of all copyrightable material developed as a result of the project.

## **I-S Partner Responsibilities**

Organizations partnering with selected applicant(s) must comply with the requirements of the solicitation and will be held to the same standards as prime applicants (see Section I-N Prime Applicant Responsibilities).

## **I-T Davis-Bacon Act Requirements**

The Davis-Bacon Act requires that all laborers and mechanics that are non-government employees receive prevailing wages. This requires that the United States Department of Labor wage rate report is included with agreements that are affected by the Davis-Bacon Act requirement. If applicable, all positions that are related to an agreement subject to the Davis-Bacon Act must be classified accordingly. Weekly time reporting requirements and necessary forms will be listed in the Grant Agreement. Detailed information about the Davis Bacon Act can be found at the [U.S. Department of Labor website](#) on Federal Contracts-Working Conditions.

## **PART II: GENERAL PROVISIONS**

### **II-A Project Changes**

Grantee *must* obtain prior written approval for material changes from the MPSC Grant Administrator.

### **II-B Delegation**

Grantee may not delegate any of its obligations under the Grant without the prior written approval of the MPSC. Grantee must notify the MPSC at least 90 calendar days before the proposed delegation and provide the MPSC any information it requests to determine whether the delegation is in its best interest. If approved, Grantee must: (a) be the sole point of contact regarding all contractual project matters, including payment and charges for all Grant Activities; (b) make all payments to the subgrantee; and (c) incorporate the terms and conditions contained in this Grant in any subgrant with a subgrantee. Grantee remains responsible for the completion of the Grant Activities, compliance with the terms of this Grant, and the acts and omissions of the subgrantee. The MPSC, in its sole discretion, may require the replacement of any subgrantee.

### **II-C Share-in-Savings**

The MPSC expects to share in any cost savings realized by the Grantee. Therefore, final Grantee reimbursement will be based on actual expenditures. Exceptions to this requirement must be approved in writing by the MPSC Grant Administrator. Documentation of cost savings will be required.

### **II-D Order of Spending**

Any match funds must be spent first or concurrently, dollar for dollar, with awarded grant funds.

### **II-E Purchase of Equipment**

The purchase of equipment not specifically listed in the approved grant budget must have prior written approval of the MPSC Grant Administrator. Equipment is defined as non-expendable personal property having a useful life of more than one year. Such equipment shall be retained by the Grantee unless otherwise specified at the time of approval.

### **II-F Accounting**

The Grantee shall adhere to the Generally Accepted Accounting Principles and shall maintain records which will allow, at a minimum, for the comparison of actual outlays with budgeted amounts. The Grantee's overall financial management system must ensure effective control over and accountability for all funds received. Accounting records must be supported by source documentation including, but not limited to, balance sheets, general ledgers, time sheets and invoices. The expenditure of state funds shall be reported by line item and compared to the Budget.

### **II-G Records Maintenance, Inspection, Examination, and Audit**

The MPSC or its designee may audit Grantee to verify compliance with this Grant. Grantee must retain and provide to the MPSC, the State or its designee upon request, all financial and accounting records related to the Grant through the term of the Grant and for four (4) years after the latter of termination, expiration, or final payment under this Grant or any extension ("Audit Period"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Grantee must retain the records until all issues are resolved.

Within 24 hours of providing notice, the MPSC, the State and its authorized representatives or designees have the right to enter and inspect a selected applicant's premises or any other places where grant activities are being performed, and examine selected applicant's books and records; and copy and audit all records related to the Grant Agreement anytime during the period of the grant and for a period of four (4) years after the latter of termination, expiration, or final payment under the Grant Agreement or any extension. Selected applicant must cooperate and provide reasonable assistance. If an audit, litigation, or other action involving the records is initiated before the end of the audit period, selected applicant must retain the records until all audit and monitoring issues are resolved. Any disqualified costs



identified as a result of the monitoring review or audit will be refunded within 30 days.

This section applies to selected applicant, any parent, affiliate, or subsidiary organization of selected applicant, and any subcontractor that performs grant activities in connection with this Grant Agreement.

If the selected applicant is a governmental or nonprofit organization and expends the minimum level specified in Office of Management and Budget's (OMB) Uniform Guidance (\$750,000 as of December 26, 2013) or more in total federal funds in its fiscal year, then Grantee is required to submit an Audit Report to the Federal Audit Clearinghouse (FAC) as required in 200.36. Any questioned costs identified must be refunded within 30 days.

The MPSC will perform a close-out audit of all selected applicants at the end of the grant period. Any disqualified costs identified must be refunded within 30 days.

## **II-H Competitive Bidding**

The Grantee agrees that all procurement transactions involving the use of state funds shall be conducted in a manner that provides maximum open and free competition. When competitive selection is not feasible or practical, the Grantee agrees to obtain the written approval of the MPSC Grant Administrator before making a sole source selection. Sole source contracts should be negotiated to the extent that such negotiation is possible.

## **II-I Liability**

The MPSC or the State is not liable for any costs incurred by the Grantee before the start date or after the end date of this Agreement. Liability of the MPSC or the State is limited to the terms and conditions of the Grant Agreement and the grant amount.

## **II-J Intellectual Property**

Unless otherwise required by law, all intellectual property developed using funds from this Grant or Grant Agreement, including copyright, patent, trademark and trade secret, shall belong to the Grantee.

## **II-K Safety**

The Grantee, and all subgrantees are responsible for ensuring that all precautions are exercised at all times for the protection of persons and property. Safety provisions of all Applicable Laws and building and construction codes shall be observed. The Grantee, and every subgrantee are responsible for compliance with all federal, state, and local laws and regulations in any manner affecting the work or performance of the Grant Agreement and shall at all times carefully observe and comply with all rules, ordinances, and regulations. The Grantee, and all subgrantees shall secure all necessary certificates and permits from municipal or other public authorities as may be required in connection with the performance of the Grant Agreement.

## **II-L General Indemnification**

Grantee must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Grantee (or any of Grantee's employees, agents, subgrantees, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Grant; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Grantee (or any of Grantee's employees, agents, subgrantees, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Grantee (or any of Grantee's employees, agents, subgrantees, or by anyone else for whose acts any of them may be liable).

The MPSC or the State will notify Grantee in writing if indemnification is sought; however, failure to do so will not relieve Grantee, except to the extent that Grantee is materially prejudiced. Grantee must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The MPSC or the State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense if the MPSC or the State deems necessary. Grantee will not, without the MPSC or the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

## **II-M Termination**

The MPSC or the State may terminate the Grant Agreement without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents, and employees for any of the following reasons:

### **(1) Termination for Cause:**

The MPSC or the State may terminate this Grant for cause, in whole or in part, if Grantee, as determined by the MPSC or the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Grant will not be construed to mean that other breaches are not material.

If the MPSC or the State terminates this Grant under this Section, the State will issue a termination notice specifying whether Grantee must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Grantee was not in breach of the Grant, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Subsection (2), Termination for Convenience.

The MPSC or the State will only pay for amounts due to Grantee for Grant Activities accepted by the MPSC or the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Grantee for the MPSC or the State's reasonable costs in terminating this Grant. The Grantee must pay all reasonable costs incurred by the MPSC or the State in terminating this Grant for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the MPSC or the State incurs to procure the Grant Activities from other sources.

### **(2) Termination for Convenience**

The MPSC or the State may immediately terminate this Grant in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. If the MPSC or the State terminates this Grant for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Grant Responsibilities as outlined by this RFP and the Grant Agreement.

### **(3) Non-Appropriation**

Selected applicant acknowledges that continuation of the Grant Agreement is subject to appropriation or availability of funds for the Grant Agreement. If funds to enable the MPSC to effect continued payment under the Grant Agreement are not appropriated or otherwise made available (including the federal government suspending or halting the program or issuing directives preventing the MPSC from continuing the program), the MPSC or the State shall have the right to terminate the Grant Agreement, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice

of termination to selected applicant.

The MPSC or the State shall give selected applicant at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the MPSC or the State receives notice of the final decision less than thirty (30) days before the funding cutoff). In the event of a termination under this section, the selected applicant shall, unless otherwise directed by the MPSC or the State in writing, immediately take all reasonable steps to terminate its operations and to avoid and/or minimize further expenditures under the Grant Agreement.

#### **(4) Criminal Conviction**

The MPSC or the State may terminate the Grant Agreement immediately and without further liability or penalty in the event selected applicant, an officer of selected applicant, or an owner of a 25% or greater share of selected applicant is convicted of a criminal offense incident to the application for, or performance of, a State, public or private contract or subcontract or grant; convicted of a criminal offense, including any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon selected applicant's business integrity.

#### **(5) Approvals Rescinded**

The MPSC or the State may terminate the Grant Agreement without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. Termination may be in whole or in part and may be immediate as of the date of the written notice to selected applicant or may be effective as of the date stated in such written notice.

#### **(6) Transition Responsibilities**

Upon termination or expiration of the Grant Agreement for any reason, selected applicant must, for a period of time specified by the MPSC or the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the MPSC or the State, to allow for the expired or terminated portion of the grant activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such grant activities to the MPSC or the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the grant activities at the rates established in the Grant Agreement; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable grant activities, training, equipment, software, leases, reports and other documentation, to the MPSC, the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the MPSC or the State may direct, to preserve, maintain, protect, or return to the MPSC or the State all materials, data, property, and confidential information provided directly or indirectly to selected applicant by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the MPSC or the State, at the MPSC or the State's discretion, all completed or partially completed deliverables prepared under the Grant Agreement as of the Grant Agreement termination date; and (e) preparing an accurate accounting from which the MPSC and selected applicant may reconcile all outstanding accounts (collectively, "Transition Responsibilities"). The Grant Agreement will automatically be extended through the end of the transition period.

## **II-N Conflicts and Ethics**

Grantee will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Grant; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Grant; (c) attempting to influence or appearing to influence

any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Grantee, any consideration contingent upon the award of the Grant. Grantee must immediately notify the MPSC of any violation or potential violation of these standards. This Section applies to Grantee, any parent, affiliate, or subsidiary organization of Grantee, and any subgrantee that performs Grant Activities in connection with this Grant.

## **II-O Non-Discrimination**

Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and [Executive Directive 2019-09](#). Grantee and its subgrantees agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.

## **II-P Unfair Labor Practices**

Under MCL 423.324, the State may void any Grant with a Grantee or subgrantee who appears on the Unfair Labor Practice register compiled under MCL 423.322.

## **II-Q Force Majeure**

Neither party will be in breach of this Grant because of any failure arising from any disaster or acts of God that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Grantee will not be relieved of a breach or delay caused by its subgrantees. If immediate performance is necessary to ensure public health and safety, the MPSC or the State may immediately Grant with a third party.

## **II-R Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP, Grant, or project to which it relates must not be made without prior written approval, and then only in accordance with the explicit written instructions of the MPSC Grant Administrator.

## **II-S Website Incorporation**

The MPSC or the State is not bound by any content on Grantee's website unless expressly incorporated directly into this Grant.

## **II-T Certification Regarding Debarment**

The Grantee certifies, by signature to this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal or State department or agency. If the Grantee is unable to certify to any portion of this statement, the Grantee shall attach an explanation to this Agreement.

## **II-U Illegal Influence**

The Grantee certifies, to the best of his or her knowledge and belief that:

- A. No federal appropriated funds have been paid nor will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant,

loan or cooperative agreement.

- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this grant, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The Grantee shall require that the language of this certification be included in the award documents for all grants or subcontracts and that all subrecipients shall certify and disclose accordingly.

The State has relied upon this certification as a material representation. Submission of this certification is a prerequisite for entering into this Agreement imposed by 31 USC § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Grantee certifies, to the best of his or her knowledge and belief that no state funds have been paid nor will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any State agency, a member of the Legislature, or an employee of a member of the Legislature in connection with the awarding of any state contract, the making of any state grant, the making of any state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state contract, grant, loan or cooperative agreement.

## **II-V Governing Law**

The Grant Agreement is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of the Grant Agreement are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from the Grant Agreement must be resolved in Michigan Court of Claims. Selected applicant consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or forum non conveniens. Selected applicant must appoint agents in Michigan to receive service of process.

## **II-W Compliance with Laws**

Grantee must comply with all federal, state, and local laws, rules and regulations.

## **II-X Disclosure of Litigation, or Other Proceeding**

Grantee must notify the MPSC within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "Proceeding") involving Grantee, a subgrantee, or an officer or director of Grantee or subgrantee, that arises during the term of the Grant, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Grantee's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Grantee is required to possess in order to perform under this Grant.

## **II-Y Assignment**

Grantee may not assign this Grant to any other party without the prior approval of the MPSC. Upon notice to Grantee, the MPSC, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Grant to any other party. If the MPSC determines that a novation of the Grant to a third party is necessary, Grantee will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Grant.

## **II-Z Entire Grant Modification**

This Grant is the entire agreement and replaces all previous agreements between the parties for the Grant Activities. This Grant may not be amended except by signed agreement between the parties.

## **II-AA Grantee Relationship**

Grantee assumes all rights, obligations and liabilities set forth in this Grant. Grantee, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Grant. Grantee, and not the MPSC or the State, is responsible for the payment of wages, benefits and taxes of Grantee's employees and any subgrantees. Prior performance does not modify Grantee's status as an independent Grantee.

## **II-BB Dispute Resolution**

The parties will endeavor to resolve any Grant dispute in accordance with this provision. The dispute will be referred to the parties' respective Grant Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the MPSC or the State's right to terminate the Grant.

## **II-CC Severability**

If any part of this Grant is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Grant and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Grant will continue in full force and effect.

## **II-DD Waiver**

Failure to enforce any provision of this Grant will not constitute a waiver.

## **II-EE Confidentiality**

### **State Data**

- (a) Ownership. The State's data ("State Data," which will be treated by selected applicant as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the grant activities; (b) personally identifiable information ("PII") collected, used, processed, stored, or generated as the result of the grant activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("PHI") collected, used, processed, stored, or generated as the result of the grant activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This section survives the termination of the Grant Agreement.
- (b) Selected Applicant Use of State Data. Selected applicant is provided a limited license to State Data for the sole and exclusive purpose of providing the grant activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the grant activities. Selected applicant must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in the Grant Agreement and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of

providing the grant activities, such use and disclosure being in accordance with the Grant Agreement, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for selected applicant's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This section survives the termination of the Grant Agreement.

- (c) Extraction of State Data. Selected applicant must, within one (1) business day of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to selected applicant), an extract of the State Data in the format specified by the State.
- (d) Backup and Recovery of State Data. Selected applicant is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Selected applicant must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.
- (e) Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by selected applicant that relate to the protection of the security, confidentiality, or integrity of State Data, selected applicant must, as applicable: (a) notify the MPSC as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the MPSC or the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting selected applicant's obligations of indemnification as further described in the Grant Agreement, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and, (h) provide to the MPSC a detailed plan within 10 calendar days of the occurrence describing the measures selected applicant will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of selected applicant's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps selected applicant has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by selected applicant. This section survives the termination of the Grant Agreement.

#### **Non-Disclosure of Confidential Information**

The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this section survive the termination of the Grant Agreement.

- (a) **Meaning of Confidential Information.** For the purposes of the Grant Agreement, the term “Confidential Information” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of the Grant Agreement, in all cases and for all matters, State Data is deemed to be Confidential Information.
- (b) **Obligation of Confidentiality.** The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with the Grant Agreement or to use such Confidential Information for any purposes whatsoever other than the performance of the Grant Agreement. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under the Grant Agreement; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) selected applicant obligates the subcontractor in a written contract to maintain the State’s Confidential Information in confidence. At the MPSC or the State’s request, any employee of selected applicant or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this section.
- (c) **Cooperation to Prevent Disclosure of Confidential Information.** Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of the Grant Agreement and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- (d) **Remedies for Breach of Obligation of Confidentiality.** Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of the Grant Agreement or any Statement of Work corresponding to the breach or threatened breach.
- (e) **Surrender of Confidential Information upon Termination.** Upon termination of the Grant Agreement or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party’s possession, custody, or control; provided, however, that selected applicant must return State Data to the State following the timeframe and procedure described further in the Grant Agreement. Should selected applicant or the State determine that the



return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

### **Data Privacy and Information Security**

- (a) **Undertaking by Selected Applicant.** Without limiting selected applicant's obligation of confidentiality as further described, selected applicant is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of selected applicant, if any, comply with all of the foregoing. In no case will the safeguards of selected applicant's data privacy and information security program be less stringent than the safeguards used by the State, and selected applicant must at all times comply with all applicable State IT policies and standards, which are available to selected applicant upon request.
- (b) **Audit by Selected Applicant.** No less than annually, selected applicant must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the MPSC.
- (c) **Right of Audit by the State.** Without limiting any other audit rights of the State, the MPSC or the State has the right to review selected applicant's data privacy and information security program prior to the commencement of grant activities and from time to time during the term of the Grant Agreement. During the providing of the grant activities, on an ongoing basis from time to time and without notice, the MPSC or the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of selected applicant's data privacy and information security program. In lieu of an on-site audit, upon request by the MPSC or the State, selected applicant agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the MPSC or the State regarding selected applicant's data privacy and information security program.
- (d) **Audit Findings.** Selected applicant must implement any required safeguards as identified by the MPSC or the State or by any audit of selected applicant's data privacy and information security program.
- (e) **State's Right to Termination for Deficiencies.** The MPSC or the State reserves the right, at its sole election, to immediately terminate the Grant Agreement or a Statement of Work without limitation and without liability if the MPSC or the State determines that selected applicant fails or has failed to meet its obligations under this section.

### **II-FF Background Checks**

Upon request, selected applicant must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the MPSC or the State and documentation must be provided as requested. Selected applicant is responsible for all costs associated with the requested background checks. The MPSC or the State, in its sole discretion, may also perform background checks.

### **II-GG Subcontracting**

Selected applicant may not delegate any of its obligations under the Grant Agreement without the prior written approval of the MPSC. Selected applicant must notify the MPSC at least 90 calendar days before the proposed delegation and provide the MPSC any information it requests to determine whether the delegation is in its best interest. If approved, selected applicant must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all grant activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in the Grant

Agreement in any subcontract with a subcontractor. Selected applicant remains responsible for the completion of the grant activities, compliance with the terms of the Grant Agreement, and the acts and omissions of the subcontractor. The MPSC, in its sole discretion, may require the replacement of any subcontractor.

#### **II-HH No State Employees or Legislators**

No member of the Legislature or Judiciary of the State of Michigan or any individual employed by the State shall be permitted to share in the Grant Agreement, or any benefit that arises from the Grant Agreement.

#### **II-II E-Verify Certification**

Section 291 of the fiscal year 2013 Omnibus Budget, PA 200 of 2012, requires verification that all new employees of the selected applicant and all new employees of any approved subcontractor, working under the Grant Agreement, are legally present to work in the United States. The selected applicant must perform this verification using the E-verify system (<http://www.uscis.gov/portal/site/uscis>). The selected applicant's signature on the Grant Agreement is the selected applicant's certification that verification has and will be performed. The selected applicant's signature also certifies that the selected applicant is not an Iran linked business as defined in MCL 129.312.

#### **II-JJ Survival**

The provisions of the Grant Agreement that impose continuing obligations, including warranties and representations, termination, transition, indemnification, and confidentiality, will survive the expiration or termination of the Grant Agreement.

#### **II-KK Independent Contractor**

Selected applicant is an independent contractor and assumes all rights, obligations and liabilities set forth in the Grant Agreement. Selected applicant, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of the Grant Agreement. Selected applicant, and not the State, is responsible for the payment of wages, benefits and taxes of selected applicant's employees and any subcontractors. Prior performance does not modify selected applicant's status as an independent contractor.

#### **II-LL Conflicts**

In the event of a conflict between the terms of the Grant Agreement and any federal or State laws or regulations, the federal or State laws or regulations will supersede any contrary term contained in the Grant Agreement.

## **PART III: WORK STATEMENT**

### **III-A Purpose**

The purpose of this RFP is to obtain proposals from businesses, nonprofit organizations, units of local government, and Tribal governments, for the purposes of planning, developing, designing, acquiring, or constructing low carbon energy facilities or programs, which may include, but are not limited to, natural gas facilities, combined heat and power facilities, renewable natural gas facilities, and electrification programs.

The MPSC intends to make a maximum of 10% of the funding available to planning grants. The MPSC welcomes all technologies, project sizes, and locations to apply, consistent with the language outlined in Public Acts [53](#) and [166](#) of 2022.

*NOTE: The MPSC reserves the right to award funds for an amount other than that requested and/or request changes to, or clarification of any and all proposals received as a result of this RFP.*

### **III-B Problem Statement**

This grant will support low carbon energy infrastructure projects.

### **III-C Objectives**

#### **I. Low Carbon Energy Facilities or Program Grants**

The objectives of this RFP for low carbon energy facilities or program grants and projects funded hereunder are:

- 1) Supported by a cost-benefit analysis. See Section III-D Tasks.
- 2) Facilitate the largest number of end-use customers achieving access to low carbon energy facilities or programs at the lowest total cost.
- 3) Reduce customer energy cost burdens.
- 4) Support the reduction of carbon emissions and any other greenhouse gas emission reductions resulting from the project.

#### **II. Low Carbon Energy Planning Grants**

The objectives of this RFP for low carbon energy planning grants and projects funded hereunder are intended to allow applicants to plan for future projects by:

- 1) Supporting a cost-benefit analysis. See Section III-D Tasks.
- 2) Facilitating the largest number of end-use customers achieving access to low carbon energy facilities or programs at the lowest total cost.
- 3) Reducing customer energy cost burdens.
- 4) Supporting the reduction of carbon emissions and any other greenhouse gas emission reductions resulting from the project.

### **III-D Tasks**

Applicants must clearly and succinctly explain how they will accomplish each required task below, which must be completed during the grant period.

Plan, develop, design, acquire, or construct low carbon energy facilities or programs, which may include, but are not limited to, natural gas facilities, combined heat and power facilities, renewable natural gas facilities, and electrification programs.

#### **I. Low Carbon Energy Facilities or Program Grants**

Facility or program grant applicants must do all of the following to be considered for an award:

- A. Perform an impact study that includes an analysis of potential cost savings, environmental impacts, and local economic benefits of the proposed low carbon energy facilities or programs. A utility, at its sole discretion, may prepare a single impact study covering the utility's service territory that accounts for likely proposals, evaluates regional opportunities, and minimizes or eliminates the need for repetitive studies. Sufficient detail must be provided in the study to allow the MPSC to evaluate each low carbon energy facility proposed.

If your project will advance environmental justice and equity, especially in disadvantaged communities<sup>1</sup>, please include those aspects in your proposal. Efforts to advance environmental justice and equity in these communities could include, for example, job creation and local hiring requirements from within BIPOC (black, indigenous, people of color) communities and their residents, minority business partnerships and mentorship programs, programs to address household energy burden, and/or efforts to decrease the negative environmental exposure in these communities.

- B. Submit a proposal that details the associated costs and benefits of the proposal, including all of the following. Applicants should submit a list of inputs and assumptions for all analyses performed, and specify the model used for each analysis. In addition, provide detailed items used as costs for each test and detailed items used as benefits in your calculation.
  - I. The cost impact to current or potential new customers, including a cost-benefit analysis demonstrating the impact and cost savings to customers that are directly part of the infrastructure development proposal. The cost-benefit analysis tests required are the Societal Cost Test (SCT) and the Total Resource Cost (TRC) test, but other cost benefit tests could be analyzed and provided within the proposal along with the two required. The costs-benefit analysis must include, at a minimum, all of the following:
    - a. A summary of the project, including detailed cost estimates for completion, project timing, and locations impacted.
    - b. A prospective list outlining the number and class (residential, commercial, industrial) of potential customers that would be impacted by the project development.
    - c. The total amount of displaced energy that the project will realize expressed in terms of MJ (megajoules).
    - d. A comprehensive analysis of prospective customers' energy costs using those customers' current energy source versus the proposed new project, such as energy source and other alternative energy sources that may be available, including all of the following:
      - i. The forecasted annual energy costs of a customer's current energy source in direct comparison with the proposed new project, such as energy source and other alternative energy sources that may be available. If the proposal includes energy waste reduction measures, please include those impacts in your analysis.
      - ii. Any installation or project costs that are the customer's responsibility.
      - iii. A detailed comparison of the scope 1, scope 2, and scope 3 emissions, as defined by the Environmental Protection Agency, associated with the energy source within the proposal versus the current energy source

---

<sup>1</sup> Disadvantaged communities have consistently and continue to experience environmental, economic, and health burdens. These burdens include but are not limited to poverty, high unemployment, air and water pollution, housing located within the presence of hazardous wastes, and increased incidence of adverse public health effects due to the above-listed circumstances. Therefore, disadvantaged communities shall be identified by but not confined to zip code, public health data, environmental hazard status, census track, geographic information, and other socioeconomic criteria.

being used by prospective customers and other alternative energy sources that may be available, including all of the following:

1. The calculated emissions savings for an average customer under the different energy source options.
  2. Any supporting details for the emissions calculation, including any models and detail on assumptions. Models and assumptions must be from publicly available sources and data.
  - iv. See Attachment 3 for cost benefit test analysis requirements. In calculating the carbon emission reductions, a life cycle approach utilizing the [Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies \(GREET\) Model](#) developed by Argonne National Laboratory is preferred. Emission must be expressed in terms CO<sub>2</sub>e (carbon dioxide equivalent).
- II. Demonstrate the impact on the local economy and this state's economy, including all of the following:
- a. The number of jobs created during the project.
  - b. The potential impact to the small business community within the local area where the grant or loan is proposed to be spent.
    - i. The use of the [Jobs and Economic Development Impact \(JEDI\) Models](#) developed by the National Renewable Energy Laboratories (NREL), or a similar methodology, is preferred for a. and b.
  - c. The cost savings to other customers due to the grant being used to supplement spending and revenue in other areas.
  - d. If your proposal intends to utilize energy efficiency as a means to increase the emissions reduction levels, include the expected benefits to customers and the community in writing and in your cost benefit analyses.
- III. A detailed summary indicating any support from customers and communities associated with the project plans for the infrastructure development, including all of the following:
- a. Any outreach campaigns or events conducted, including dates, times, and number of households reached.
  - b. A list of any customers or businesses that have expressed or signaled interest in supporting the project development, including letters of support from those customers or businesses.
- IV. An analysis of the anticipated community health impacts related to the proposed low carbon energy facility.
- a. The use of the US Environmental Protection Agency's [CO-Benefits Risk Assessment \(COBRA\)](#) screening model, or similar methodology, is preferred.

C. Applicants must also submit a list of previous projects they have accomplished.

## II. Low Carbon Energy Planning Grants

Planning grant applicants must do all of the following to be considered for an award:

A. Submit a narrative including all of the following information:

- I. Explanation of what planning will be taking place and how the grant award will be spent, including a detailed budget.

- II. Explanation of the project which the planning is being conducted for.
  - III. Timeline for the planning to be conducted and the future project being planned for.
  - IV. Potential impact to Michigan citizens and businesses.
- B. Identify potential funding sources to undertake construction of facilities or implementation of programs that a planning grant is intended to identify.

### **III-E Eligible Projects**

Eligible projects include projects that encompass all of the applicable objectives in Section III-C. For purposes of this RFP, the following types of entities are eligible to apply:

- 1) Businesses
- 2) Nonprofit organizations
- 3) Units of local government
- 4) Tribal governments

### **III-F Ineligible Projects**

- 1) Projects deemed illegal under the law or inappropriate under contract management standards.
- 2) Projects considered scientifically unsound or that significantly increase risks to workers and/or the public.
- 3) Projects that will not be conducted in and benefit Michigan.
- 4) Projects involving demonstration of non-commercially available equipment and technologies. This also includes projects involving the purchase of equipment to conduct research, development, or demonstration of energy efficient or renewable energy technologies that are not commercially available.
- 5) Research and development projects that would utilize technologies that are not currently commercially available.
- 6) Projects that cannot be shared with or have restricted transferability to other entities in Michigan.

## **PART IV: PROJECT CONTROL AND REPORTS**

### **IV-A Project Control**

The selected applicant will carry out the project under the review of the MPSC Grant Administrator. The MPSC Grant Administrator shall have final authority over the Grant Agreement.

Along with continuous liaison with the selected applicant, the MPSC Grant Administrator will meet as needed with the selected applicant's contact person for the purpose of reviewing progress and providing necessary guidance to the selected applicant in solving problems that arise.

Prior to executing any changes to the scope of the project and/or budget, the selected applicant must inform the MPSC Grant Administrator in writing outlining the proposed changes.

Changes to the Grant Agreement, including the budget, can only be made during the term of the grant.

### **IV-B Monitoring and Reporting Program Performance**

The selected applicant will be required to assume responsibility for monitoring and reporting. The selected applicant will monitor performance to assure that time schedules are met and projected work by time period is accomplished. If a required report's due date falls on a weekend or holiday, the report may be delivered the following business day. Selected applicant will be provided information regarding and access to a secure State data exchange gateway that must be utilized when electronically submitting required reports and requested client documentation. All documentation submitted by the Grantee may be subject to audit by MPSC Auditors.

- (1) **Monthly Financial Status Reports (FSR).** The selected applicant shall submit a signed and dated FSR to the MPSC Grant Administrator indicating the amount of funds expended in each line item category of the budget. Monthly FSRs must include source documentation that supports all reported expenditures including, but not limited to, general ledgers, time sheets, payroll registers, invoices, check copies and bank statements, or cancelled checks. Expenses will be verified based on actual expenditures incurred within the grant period that are supported by source documentation, not budgeted amounts. Monthly FSRs will be completed on Form C-108, which will be provided to the grantee by the MPSC Grant Administrator. Monthly FSRs may be accompanied by a status update call between the grantee and MPSC Grant Administrator or selected MPSC Staff as appropriate. The frequency of the status update call is subject to change by MPSC.
- (2) **Interim Project Status Reports.** The selected applicant must submit Interim Project Status Reports to the MPSC Grant Administrator every six months during the project. The reports should include the following information at a minimum:
  - (a) **Project Identification**

Name of selected applicant, grant number and dates of current reporting period.
  - (b) **Project Milestones**

Percent (%) completion of the project objectives.
  - (c) **Project Progress**

Brief outline of the work accomplished during the reporting period and the work to be completed during the subsequent reporting period(s).
  - (d) **Noteworthy Accomplishments**

Identify and describe any milestones reached or noteworthy accomplishments completed during the period.

**(e) Delays**

Brief description of problems or delays, real or anticipated, which should be brought to the attention of the MPSC Grant Administrator.

**(f) Project Deviations**

Statement concerning any significant deviation from the previously agreed-upon work plan developed in Part V: Information Required from Applicant.

**(g) Attachments and Other Materials**

Provide project materials developed and implemented during the reporting period (e.g. newspaper articles, newspaper advertisements, forms, brochures, announcements, studies, reports, analyses, audits, etc.).

- (3) **Final Project Report.** The selected applicant must submit a draft final report to the MPSC Grant Administrator at the completion of the relevant project, detailing how the grant money was used. The MPSC Grant Administrator will provide feedback on the draft report. Then, within 30 days after the completion of the relevant project, the grantee will submit a final project report incorporating all feedback received from the MPSC Grant Administrator. The final project report shall include the following information at a minimum:

**(a) Project Identification**

Name of selected applicant, grant number, and dates of current reporting period.

**(b) Project Milestones**

Percent (%) completion of the project objectives.

**(c) Project Implementation**

Outline of the work accomplished during the grant term.

**(d) Program Metrics**

- i. Evaluate the success of the program based on developed success metrics. For example, did the grantee construct or develop a facility or that reduced carbon emissions as directed by Public Acts 53 and 166 of 2022? Is the project supported by the required post cost benefit analysis tests and other success tests for job creation, community development, and carbon reduction? Did the project or program reduce customer energy cost burdens?
- ii. Evaluate the success of the program based on grantee-defined success metrics. Did the grantee complete the project or program within the timeline detailed in the grantee's contract? Did the grantee accomplish the goals of the project or program within the stated budget within the grantee's contract? Did the grantee reduce carbon at a proven level proposed within the grantee's contract?

**(e) Noteworthy Accomplishments**

Accomplishments and problems experienced while carrying out project activities.

**(f) Coordinated Efforts**

Coordinated efforts with other organizations to complete the project.

**(g) Project Impacts**

Impacts, anticipated and unanticipated, experienced as a result of project implementation.

**(h) Next Steps**

Experience in applying the project products and anticipated "next steps."



**(i) Financial Summary**

Summary of financial expenditures of grant funds; include the basis or reason for any discrepancies.

**(j) Evaluation**

Evaluate the success of the project. The project should be evaluated against the selected applicant's work plan and objectives. Selected applicant should provide an honest and objective assessment of the successes and failures of the project. The evaluation should have both quantitative and qualitative components.

**(k) Attachments and Other Materials:**

Provide project materials developed and implemented that were not provided in project status reports (e.g., newspaper articles, newspaper advertisements, forms, brochures, announcements, studies, reports, analyses, audits, etc.).

**(4) Final Financial Status Report (FSR).** The selected applicant must submit a signed and dated final FSR to the MPSC Grant Administrator indicating the amount of funds expended in each line item category of the budget within 15 days of the completed project. The Final FSR must include source documentation that supports all reported expenditures including, but not limited to, general ledgers, time sheets, payroll registers, invoices, check copies and bank statements, or cancelled checks. Expenses will be verified based on actual expenditures incurred within the grant period that are supported by source documentation, not budgeted amounts. The Final FSR will be completed on Form C-108.

**(5) One Year Data Report.** The selected applicant must submit a data report one year post project completion. The one-year data report shall include the following information at a minimum:

**a) Project Identification**

Name of selected applicant, grant number, and dates of current reporting period.

**b) Project Milestones**

Short written summary identifying the project's learnings and performance in the first year.

Provide monthly data for project metrics identified in the original application from completion to one full year after. In addition, monthly generation, energy savings, emissions reductions, and quantified benefit and cost data will also be provided monthly for the first year. Quantified benefits and costs should be provided for each month and the associated quantification method and underlying information should be detailed.

It should be noted that information in the one-year report can be made publicly available in the Michigan Pilot Directory, through Commission reports and presentations, and in other venues or methods.

## **PART V: INFORMATION REQUIRED FROM APPLICANT**

To the extent practicable, proposals should follow the outline of this RFP.

Electronically submitted proposals must have a scanned signature or e-signature and cannot exceed 30 MB.

Applicant must provide responses to each section below. Be as descriptive as possible and answer each question in its entirety; some questions have multiple components. In your responses consider Section I-M Economy of Preparation which directs applicants to provide a straight-forward, concise description of the applicant's ability to meet the requirements of the RFP.

Questions that do not apply should be answered "NA."

**NOTE: The following information must be submitted by all applicants to be considered. *Failure to attach/include the requested information will result in the rejection of the proposal.***

1. Proposal including cost benefit test analysis and results.
2. Approved Budget Form (see instructions below).
3. Detailed Timeline – timeline for successfully completing each required task, including key sub-tasks and critical decision points to be undertaken during the grant.
4. Applicant Organizational Chart – organizational chart detailing the management structure of the applicant organization.
5. An acknowledgement that the applicant has registered as a vendor with the State of Michigan on the [SIGMA Vendor Self Service \(VSS\)](#). If you are an existing vendor and have an account in SIGMA VSS, please verify that all your account information is correct. If not, please use the SIGMA VSS to register. This web site is for the exclusive use of the vendors and individuals intent on doing business with the State of Michigan and allows you to be paid in the event that you are awarded a contract. Your registration may take up to two weeks to be processed. If questions arise while registering in SIGMA, please contact the SIGMA Support Center at [SIGMA-Vendor@michigan.gov](mailto:SIGMA-Vendor@michigan.gov) or call 517-284-0550.
6. Charitable organizations and professional fundraisers (unless exempt) must be registered with the Michigan Attorney General's Office Charitable Trust Section. For more information, please visit the [Attorney General's website](#).
7. Information and qualifications of key personnel included in the application. Selected grantees may be asked to provide a greater level of detail regarding personnel after the award is granted.
8. Most recent copy of the Uniform Guidance Single Audit or outside internal audit report (IF an A-133 or outside audit has been completed) OR the most recent financial statements (balance sheet and income statement).
9. Additional information and comments (if applicable).
10. State Historic Preservation Office (SHPO) Section 106 Review Form ([see link and instructions below](#)) (if applicable).
11. If using PACE financing, a letter of qualification for PACE financing from the administrator of a PACE district participating in the Lean & Green Michigan public-private partnership (and/or other PACE administrator, if applicable).
12. If using On-Bill financing, a letter of qualification from the administrator of the On-Bill financing program.

**Please see instructions below for additional information:**

### **V-A Proposal**

Submit a completed proposal to support your project or program along with all required documents.

## V-B Approved Budget Form

1. Applicant(s) must use the Approved Budget Form found in Attachment 1 and Attachment 2. All budget categories must be addressed. Please use “N/A” or “None” to indicate there are no costs associated with a given budget category.
2. The following costs are **disallowed**: bonuses, overtime, tuition reimbursement/remission, vehicle allowance, seminars, conferences, subscriptions, dues, and memberships. Only overtime calculated at the regular hourly rate can be charged to the grant, regardless of the rate of compensation (i.e., time and a half).
3. If funding outside of the issued grant funds will be used to complete the facility or program, the funding source and how it will be used should be included in the submitted budget.
4. Reasonable administrative costs can be included. A limit of 10% of the total grant award may be spent on administration.
5. The sum of the State share plus the recipient share of allowable costs will equal the total allowable project cost.
6. Personnel – include all staff performing work on the project. For each staff person, provide their name, job title, annual salary/wages, and percent of time dedicated to the grant project. *NOTE: The State may require [Davis Bacon Act](#) or prevailing wage rates to be paid.*
7. Fringe Benefits – allowable benefits typically include health insurance, dental insurance, and optical insurance. For each listed staff person, provide their fringe benefit rate of up to 35%, and confirm their annual fringe benefit cost. Note, applicant(s) will be required to detail/justify the fringe rates given in their proposed budget prior to an agreement being finalized. If fringe cost rates are approved by a federal agency, identify the agency and date of latest rate agreement and include a copy of the rate agreement with the application. If fringe cost rates are not approved by a federal agency, explain how total fringe benefit costs were calculated. Your calculations should identify all rates used along with the base they were applied to (and how the base was derived), and a total for each (along with the grand total).
8. Contractual Services – include all anticipated service contracts required for the project. All sub-recipients, vendors, contractors, and consultants and their estimated costs should be identified. Provide the vendor or contract name, the service to be provided, and the dollar amounts to be paid using grant funds and/or matching funds. Use TBD if the entity is unknown. Include the basis of cost for each item (competitive, historical, quote, catalog, etc.).
9. Supplies and Materials – include items costing less than \$5,000 per unit or a useful life expectancy of less than one year. Supplies are generally consumed during the project performance. Supply items must be direct costs to the project and not duplicative of supply costs included in the indirect pool that is the basis of any indirect rate applied for this project. Provide the item, unit cost, and quantity of units. Confirm the matching funds amount, if applicable.
10. Equipment – include items having a useful life of one year or more. Provide the item, unit cost, quantity of units, and the dollar amounts to be paid using grant funds, and/or matching funds. List all proposed equipment and briefly justify its needs as it applies to the objectives of this proposal. If the equipment is being proposed as cost match and was previously acquired, provide the value of its contribution to the project and a rationale for the estimated value shown. If it is new equipment that will retain a useful life upon completion of the project, provide a rationale for the estimated value shown. Also, indicate whether the equipment is being used for other projects or is 100% dedicated to this project.
11. Other Direct Costs – include all other known direct costs not otherwise categorized or disallowed. Provide the title/name and the cost of each item/service listed.
12. Travel – include all mileage, lodging, meals, and other known travel costs. Provide travel costs separately as mileage, lodging, meals, and other known travel costs. All listed travel must be necessary or beneficial to the performance of the proposed grant. State of Michigan travel rates must be used for all travel expenses and out-of-state travel must be directly related to the grant project and approved by the MPSC Grant

Administrator. Use the most recent State of Michigan Travel Rates posted by the Michigan Department of Technology, Management and Budget found [here](#).

13. Indirect Costs – any indirect costs are subject to revision by MPSC.
14. Indirect Rate – provide the indirect rate (up to 2% maximum) used by applicant’s organization as a percentage of total direct costs. Confirm the resulting dollar amount for grant funds. If the applicant is requesting an indirect cost rate that exceeds the 2% maximum, provide the basis for computation of rates including the types of benefits to be provided, the rate(s) used and the cost basis for each rate. **Note: Applicant(s) will be required to detail/justify their indirect rate given in their budget prior to an agreement being finalized.**
15. Totals – confirm the total dollar amounts for each listed line item and each column.

**Additional Budget Information:**

1. At such time that proposals are approved by the MPSC, modifications of proposals may be necessary. If the MPSC does not award the total amount requested in the original proposal, selected applicant(s) will be required to submit a revised proposal for the purpose of entering into a Grant Agreement. For those receiving less than requested in their proposals, the proportion of direct costs to indirect costs will remain the same as in their original request. New line items to the revised budget are not allowed.
2. Selected applicant(s) assumes the responsibility for ensuring the grant project is performed within the established timeline.
3. Selected applicant(s) assumes the responsibility of ensuring all unexpended grant funds are returned to the State of Michigan at the end of the grant period.
4. If the entire State share of the grant award is expended, the entire in-kind and/or matched funds must be spent and supported by source documentation. If the entire State share of the grant award is not spent, the in-kind and/or matched funds may be reduced proportionately by the percentage of the grant award not spent.
5. Indirect costs *must be proportionately reduced* if the selected applicant(s) does not expend the entire grant award by the end of the grant term. The adjustment for the reduction shall be calculated by determining the percentage of the grant not spent. This percentage is the amount to be reduced from the indirect costs total. Indirect costs shall be based on a percentage of the budget line items listed under the State share column. Indirect costs must be utilized for this grant within the established timeline.
6. Selected applicant(s) may not commingle award funds with current or future awards received from the MPSC. Financial assistance from each funding source must be managed, reported, and accounted for separately from all other funding sources.
7. Should selected applicant(s) cease business operations or dissolve the program or project established under the grant agreement, existing capital must be returned to the State of Michigan.
8. The MPSC anticipates the grant period will start July 3, 2023, and will end on September 30, 2026.

**V-C State Historic Preservation Office (SHPO) Section 106 Review Form**

If the applicant is conducting ground-disturbing activity or work on a building(s) that is/are at least fifty years of age or older, applicant must complete in full the State Historic Preservation Office Application for Section 106 Review. The review process must be completed prior to the expenditure of funds. No project that results in an adverse effect to a historic property will be considered for funding. Projects may be modified to avoid adverse effects. **Submit the [Section 106 Review Form](#) with your proposal to the MPSC. The grantee shall forward to the State Historic Preservation Office as necessary.**

**V-D RESERVED**

**V-E RESERVED**

**V-F Additional Information and Comments**

Include any other information that is believed to be pertinent but not specifically requested elsewhere in this RFP.

**V-G Certification of Proposal**

Please sign the proposal and include the following language:

I certify that all information contained in the proposal is true to the best of my knowledge and belief, and that the organization is in compliance and agreement with all sections of the Request for Proposal. Failure to comply with grant terms may result in termination.

Certified by: \_\_\_\_\_  
Authorized Signatory and Title    Date  
Name of Organization

**PART VI: EVALUATION AND SELECTION CRITERIA**

**VI-A Criteria and Scoring**

All proposals received shall be subject to an evaluation by the MPSC. The evaluation will be conducted in a manner appropriate to select the applicant(s) for the purpose of entering into a Grant Agreement to perform the proposed project within the established timeline.

All proposals will receive an initial screening to ensure that the eligibility criteria are met. Proposals failing to meet the eligibility requirements described in Section I-C Eligibility Requirements, that do not comply with the requirements of the Grant Agreement, and/or which are incomplete, **will be rejected automatically**.

Proposals meeting the eligibility requirements will be evaluated based on the following factors:

**Total maximum points is 100.**

Program Priorities and Impact (35 Points)

Proposals will be evaluated on the incorporation of the criteria outlined in Section III-C Objectives and anticipated short and long-term impacts. Evaluation of the proposals will be based on the incorporation of the criteria outlined in Public Acts [53](#) and [166](#) of 2022.

Project Scope and Objectives (25 Points)

Proposals will be evaluated based on the scope of work, its merit, and the quality of information submitted.

Project Feasibility (20 Points)

Proposals will be evaluated on their likelihood of success and feasibility to achieve the purpose, outcomes, and tasks required by this RFP within the established timeframe.

Experience of Organization/Project Team (15 Points)

Proposals will be evaluated on the experience and qualifications of the organization and project team in carrying out related projects.

Environmental Justice and Equity (5 Points)

Proposals will be evaluated on their expressed efforts to advance environmental justice and equity, especially in disadvantaged communities.

**Other Criteria in which applicant can receive bonus points (Up to 6 Points maximum)**

In the event multiple applicants receive the same score, bonus points will be utilized to prioritize grant awards and amounts when necessary.

Holistic Approach Bonus (Up to 3 additional points)

Proposals will receive favorable consideration if using holistic project approaches and siting. Holistic approaches may include, but are not limited to, the inclusion of energy waste reduction, integrated vegetation management to create native pollinator habitats, low-impact development, and green infrastructure. Holistic siting may include, but is not limited to, utilizing locations with little biological value for project siting, locating projects close to end-users of low carbon clean energy, and supporting local job creation.

Resilience Bonus

(Up to 3 additional points)

Proposals will receive favorable consideration if they support resilience by allowing participating customers and businesses to recover rapidly or to be unaffected at all in the face of broader utility, community, or State energy or weather-related challenges.

# ATTACHMENTS

## Attachment 1: Sample Budget Template

### Low Carbon Energy Infrastructure Enhancement and Development (EIED)

Line Item	Budget Category	Requested Grant Funds	Match Funds	Combined Project
		TOTAL	TOTAL	TOTAL
1	<b>Administrative Expenses</b>			
2	<b>Administrative Personnel (Grant Administration Staff)</b>			
3	<i>Salary</i>			
4	Employee 1 (Job Title) (2080 Hrs. @ \$57.50/hour)	\$75,000	\$44,600	\$119,600
5	Employee 2 (Job Title) (2080 Hrs. @ \$45.50/hour)	\$65,000	\$29,640	\$94,640
6	<b>Total Salary</b>	\$140,000	\$74,240	\$214,240
7	<i>Fringe Benefits</i>			
8	Employee 1 (Job Title) (2080 Hrs. @ \$20.00/hour)	\$20,800	\$20,800	\$41,600
9	Employee 2 (Job Title) (2080 Hrs. @ \$20.00/hour)	\$20,800	\$20,800	\$41,600
10	<b>Total Fringe Benefits</b>	\$41,600	\$41,600	\$83,200
11	<b>Total Administrative Personnel</b>	\$181,600	\$115,840	\$297,440
12	<b>Administrative Supplies, Materials, and Equipment</b>			
13	General Office Supplies	\$3,000	\$3,000	\$6,000
14	<b>Total Administrative Supplies, Materials, &amp; Equipment</b>	\$3,000	\$3,000	\$6,000
15	<b>Administrative Travel (State Travel Rates Apply*)</b>			
16	Mileage (3000 miles @ 0.360/mile)	\$540	\$540	\$1,080
17	Meals (25 Per Diem @ \$36/day)	\$450	\$450	\$900
18	Lodging (25 nights @ \$85/night)	\$1,063	\$1,063	\$2,125
19	<b>Total Administrative Travel</b>	\$2,053	\$2,053	\$4,105
20	<b>Total Administrative Expenses</b>	<b>\$326,653</b>	<b>\$195,133</b>	<b>\$521,785</b>
21	<b>Contractual Services</b>			
22	<b>Contractual Services Personnel Salary</b>			
23	<i>Salary</i>			
24	Employee 1 (Job Title)	\$22,562	\$10,000	\$32,562
25	Employee 2 (Job Title)	\$24,520	\$15,000	\$39,520
26	<b>Total Salary</b>	\$47,082	\$25,000	\$72,082
27	<i>Fringe Benefits</i>			
28	Employee 1 (Job Title)	\$7,897	\$2,000	\$9,897
29	Employee 2 (Job Title)	\$8,583	\$3,000	\$11,583
30	<b>Total Fringe Benefits</b>	\$16,480	\$5,000	\$21,480



31	<b>Total Contractual Services Personnel Salary</b>	\$63,562	\$30,000	\$93,562
32	<b>Contractual Services Supplies, Materials, and Equipment</b>			
33	Supplies, Materials, and Equipment	\$1,500	\$1,500	\$3,000
34	<b>Total Contractual Services Supplies, Materials, &amp; Equipment</b>	\$1,500	\$1,500	\$3,000
35	<b>Contractual Services Travel*</b>			
36	Mileage (3000 miles @ 0.360/mile)	\$540	\$540	\$1,080
37	Meals (25 Per Diem @ \$36/day)	\$450	\$450	\$900
38	Lodging (25 nights @ \$85/night)	\$1,063	\$1,063	\$2,125
39	<b>Total Contractual Services Travel</b>	\$2,053	\$2,053	\$4,105
40	<b>Total Contractual Services Expenses</b>	<b>\$67,115</b>	<b>\$33,553</b>	<b>\$100,667</b>
41	<b>Sub-contractual Services, Large Equipment, Customer Rebates, Other</b>			
42	<b>Sub-contractual Services</b>			
43	Vendor 1, Independent Evaluation	\$56,782	\$10,000	\$66,782
44	Vendor 2	\$42,063	\$10,000	\$52,063
45	Independent Contractor 1	\$15,682	\$15,000	\$30,682
46	Independent Contractor 2	\$15,838	\$15,000	\$30,838
47	<b>Total Sub-contractual Services</b>	\$130,365	\$50,000	\$180,365
48	<b>Large Equipment Costs (Facility Grants)</b>			
49	Type of Equipment	\$50,000	\$50,000	\$100,000
50	<b>Total Large Equipment Costs</b>	\$50,000	\$50,000	\$100,000
51	<b>Customer Rebates (Program Grants)</b>			
52	Payments to Residential Customers (23 @ \$500)	\$10,000	\$1,500	\$11,500
53	Payments to Commercial Customers (16 @ \$2,000)	\$30,000	\$2,000	\$32,000
54	<b>Total Customer Rebates</b>	\$40,000	\$3,500	\$43,500
55	<b>Other Direct Costs</b>			
56	Other Direct Costs Detailed	\$5,000	\$5,000	\$10,000
57	<b>Total Other Direct Costs</b>	\$5,000	\$5,000	\$10,000
58	<b>Total Sub-Contractual Services, Large Equipment, Customer Rebates, Other Expenses</b>	<b>\$225,365</b>	<b>\$108,500</b>	<b>\$333,865</b>
59	<b>Total Direct Cost</b>	<b>\$619,132</b>	<b>\$337,185</b>	<b>\$956,317</b>
60	<b>Indirect Costs</b>			
61	Indirect Cost (0.019083)	\$11,815	\$6,435	\$18,249
62	<b>Total Indirect Costs</b>	<b>\$11,815</b>	<b>\$6,435</b>	<b>\$18,249</b>
63	<b>TOTAL PROJECT COST</b>	<b>\$630,947</b>	<b>\$343,620</b>	<b>\$974,567</b>

\* Current State Travel Rates (may be updated before or during grant period).

## Attachment 2: Sample Budget Narrative\*

**\*Include a budget narrative for each partnering organization or subcontractor working on the project.**

1 **Administrative Expenses**

2 **Administrative Personnel (Grant Administration Staff)**

3 <Name of Organization>'s full time workweek is <e.g., 37.5 or 40 > hours. All employees are full time unless otherwise stated.

*Salary*

4 Employee 1 Name (Job Title)

Employee 1 will – <provide a brief summary of the work to be performed by Employee 1>. Employee 1 can work on the project for 52 weeks; up to 40 hours per week as an <hourly/salaried> <exempt/non-exempt> employee. This budget line item is based on an estimate of 100% of time allocated to the project or 2080 hours @ \$57.50 per hour.

The approximate costs for this line item number is \$119,600 (or grant funds equal to \$75,000 plus \$44,600 in matching funds).

5 Employee 2 Name (Job Title)

Employee 2 will – <provide a brief summary of the work to be performed by Employee 2>. Employee 2 can work on the project for 52 weeks; up to 40 hours per week as an <hourly/salaried> <exempt/non-exempt> employee. This budget line item is based on an estimate of 100% of time allocated to the project or 2080 hours @ \$45.50 per hour.

The approximate costs for this line item number is \$94,640 (or grant funds equal to \$65,000 plus \$29,640 in matching funds).

6 **Total Salary = \$214,240 (or grant funds equal to \$140,000 plus matching funds equal to \$74,240)**

7 *Fringe Benefits (Fringe benefit for Employees should match named salary employees listed above)*

8 Employee 1 Name (Job Title)

Fringe benefits for Employee 1 <Name> should equal not more than 35% of his/her grant-related salary. These fringe benefits include <list fringe benefits received by Employee 1>. The cash basis of accounting is used to calculate Fringe Benefit expenses applicable to the grant. Our organization will use the accrual basis of accounting method for all transactions in the general ledger.

The approximate cost for this line item number is \$41,600 (or grant funds equal to \$20,800 plus \$20,800 in matching funds)

*Note: Allowable fringe benefits include the following: Health, Dental, and Optical Insurance, employer- paid Social Security and Medicare Tax, Michigan and Federal unemployment tax, and other miscellaneous fringe benefits (i.e., life insurance, long-and short-term disability insurance, workers' compensation, and retirement program contributions up to 4%). Only include benefits the employee is actually receiving or is expected to receive. If each employee receives the same fringe benefit package, list the items under the first employee and refer to the line item where they are listed for each additional employee.*

9 Employee 2 Name (Job Title)

Fringe benefits for Employee 1 <Name> should equal not more than 35% of his/her grant-related salary. These fringe benefits include <list fringe benefits received by Employee 1>. The cash basis of accounting is used to calculate Fringe Benefit expenses applicable to the grant. Our organization will use the accrual basis of accounting method for all transactions in the general ledger.

The approximate cost for this line item number is \$41,600 (or grant funds equal to \$20,800 plus \$20,800 in matching funds).

10 **Total Fringe Benefits = \$83,200 (or grant funds equal to \$41,600 plus \$41,600 in matching funds).**

11 ***Approximate Total Administrative Personnel = \$297,440 (or \$181,600 in grand funds plus \$115,840 in matching funds).***

12 **Administrative Supplies, Materials, and Equipment**

13 General office supplies, for example paper and general office supplies, are estimated at \$6,000.

14 ***Approximate Total Administrative Supplies, Materials, and Equipment = \$6,000 (or \$3,000 in grant funds plus \$3,000 in matching funds)***

15 **Administrative Travel**

16 Mileage

Mileage expenses for the Administrative Personnel (Grant Administration Staff) includes In- State travel at State approved rates\*. Staff listed in the budget under the Grant Administration Staff will travel to <provide detailed description of travel> 100% of the Administrative Personnel (Grant Administration Staff) mileage costs are allocated to the project. The official workstation of the Grant Administration Staff is <Organization's address>.

The approximate cost for this line item number is \$900 (or \$450 in grant funds and \$450 in matching funds).

17 Meals

Meals expenses includes costs that are associated with the Administrative Personnel (Grant Administration Staff) for In-State travel at State approved rates\*. 100% of the meal costs are allocated to the project. The official workstation of the Grant Administration Staff is <Organization's address>.

The approximate cost for this line item number is \$900 (or \$450 in grant funds and \$450 in matching funds).

18 Lodging

Lodging expense includes costs that are associated with the Administrative Personnel (Grant Administration Staff) for In-State travel at State approved rates\*. 100% of the lodging costs are allocated to the project. The official workstation of the Grant Administration Staff is <Organization's address>.

The approximate cost for this line item number is \$2,125 (or \$1,063 in grant funds and \$1,063 in matching funds).

19 ***Approximate Total Administrative Travel = \$4,105 (or \$2,053 in grant funds and \$2,053 in matching funds).***

20 **Total Administrative Expenses = \$521,785 (or \$326,653 in grant funds and \$195,133 in matching funds)**  
(Lines 11, 14, 19)

21 **Contractual Services**

22 **Contractual Services Personnel Salary**

<Name of Organization><Services provided by this contractor> Organization's full time workweek is <e.g. 37.5 or 40 > hours. All employees are full time unless otherwise stated.

23 *Salary*

24 Employee 1 Name (Job Title)

Contracted Employee 1 will – <provide a brief summary of the work to be performed by Contracted Employee 1>. Contracted Employee 1 can work on the project for 52 weeks; up to 40 hours per week as an <hourly/salaried> <exempt/non-exempt> employee. This budget line item is based on an estimate of 50% of time allocated to the project or 1040 hours @ \$31.32 per hour for a total or \$32,562 (or \$22,562 in grant funds and \$10,000 in matching funds).

25 Employee 2 Name (Job Title)

Contracted Employee 2 will – <provide a brief summary of the work to be performed by Contracted Employee 2>. Contracted Employee 2 can work on the project for 52 weeks; up to 20 hours per week as an <hourly/salaried> <exempt/non-exempt> employee. This budget line item is based on an estimate of 50% of time allocated to the project or 1040 hours @ \$38 per hour for a total of \$39,520 (or \$24,520 in grant funds plus \$15,000 in matching funds).

26 **Total Contractual Services Salary = \$72,082 (or \$47,082 in grant funds plus \$25,000 in matching funds)**

27 *Fringe Benefits*

28 Employee 1 Name (Job Title)

Fringe benefits for Employee 1 will not exceed 35% of his/her grant-related salary. These fringe benefits include <list fringe benefits received by Employee 1>. The cash basis of accounting is used to calculate Fringe Benefit expenses applicable to the grant. Our organization will use the accrual basis of accounting method for all transactions in the general ledger.

The approximate cost for this line item number is \$9,897 (or \$7,897 in grant funds plus \$2,000 in matching funds).

*Note: Allowable fringe benefits include the following: Health, Dental, and Optical Insurance, employer- paid Social Security and Medicare Tax, Michigan and Federal unemployment tax, and other miscellaneous fringe benefits (i.e., life insurance, long-and short-term disability insurance, workers' compensation, and retirement program contributions up to 4%). Only include benefits the employee is actually receiving or is expected to receive. If each employee receives the same fringe benefit package, list the items under the first employee and refer to the line item where they are listed for each additional employee.*

29 Employee 2 Name (Job Title)

Fringe benefits for Employee 2 will not exceed 35% of his/her grant-related salary. These fringe benefits include <list fringe benefits received by Employee 2>. The cash basis of accounting is used to calculate Fringe Benefit expenses applicable to the grant. Our organization will use the accrual basis of accounting method for all transactions in the general ledger.

The approximate cost for this line item number is \$11,583 (or \$8,583 in grand funds plus \$3,000 in matching funds).

30 **Total Fringe Benefits = \$21,480 (or \$16,480 in grant funds plus \$5,000 in matching funds).**

31 ***The approximate total cost for this line item is \$93,562 (or \$63,562 in grant funds plus \$30,000 in matching funds)***

32 **Contractual Services Supplies, Materials, and Equipment**

33 Supplies, Materials, and Equipment

34 ***Approximate Total Contractual Services Supplies, Materials, and Equipment = \$3,000 (or \$1,500 in grant funds plus \$1,500 in matching funds).***

35 **Contractual Services Travel**

36 Mileage

Mileage expenses for the Contractual Services Personnel includes In- State travel at State approved rates\*. Staff listed in the budget under the Contractual Service's Staff will travel to <provide detailed description of travel> 100% of the Contractual Service's Personnel (Staff) mileage costs are allocated to the project. The official workstation of the Contractual Service's Staff is <Organization's address>.

The total cost for this line item number is \$1,080 (or \$540 in grant funds plus \$540 in matching funds).

37 Meals

Meals expense includes costs that are associated with the Contractual Service's Personnel (Staff) for In- State travel at State approved rates\*. 100% of the meal costs are allocated to the project. The official workstation of the Contractual Service's Staff is <Organization's address>.

The total cost for this line item number is \$900 (or \$450 in grant funds plus \$450 in matching funds).

38 Lodging

Lodging expense includes costs that are associated with the Contractual Service's Personnel for In-State travel at State approved rates\*. 100% of the lodging costs are allocated to the project. The official workstation of the Contractual Service Provider Staff is <Organization's address>.

The total cost for this line item number is \$2,125 (or \$1,063 in grant funds plus \$1,063 in matching funds).

39 ***Approximate Total Contractual Services Travel = \$4,105 (or \$2,053 in grant funds and \$2,053 in matching funds).***

40 **Total Contractual Services Expenses = \$100,677 (or \$67,115 in grant funds plus \$33,553 in matching funds).** (Lines 34, 39)

41 **Sub-contractual Services, Large Equipment, Customer Rebates, and Other**

42 **Sub-Contractual Services**

43 Vendor 1, Evaluation Contractor

<Vendor 1 Name> <Description of services offered by this vendor>

Project or program should be evaluated by a third party contractor to ensure proven results and viability.

Total Cost for this line item is \$66,782 (or \$56,782 in grant funds plus \$10,000)

44 Vendor 2

<Vendor 2 Name> <Description of services offered by this vendor>

Total Cost for this line item is \$52,063 (or \$42,063 in grant funds plus \$10,000)

45 Independent Contractor 1

<Independent Contractor Name> <Description of services offered by this independent Contractor>

Total Cost for this line item is \$30,682 (or \$15,682 in grant funds plus \$15,000)

46 Independent Contractor 2

<Independent Contractor 2 Name> <Description of services offered by this independent contractor>

Total Cost for this line item is \$30,838 (or \$15,838 in grant funds plus \$15,000)

47 ***Approximate Total Sub-Contractual Services = \$180,365 (\$130,365 in grant funds plus \$50,000 in matching funds)***

48 Large Equipment Costs (Facility Grants)

49 <Type of Large Equipment> <Use of large equipment>

Total for this line item is \$100,000 (or \$50,000 in grant funds plus \$50,000 in matching funds)

50 ***Approximate Total Large Equipment Costs = \$100,000 (or \$50,000 in grant funds plus \$50,000 in matching funds)***

51 **Customer Rebates (Program Grants)**

52 Payments to Residential Customers (23 @ \$500)

<Types and/or use of rebates>

Total cost for this line item is \$11,500 (or \$10,000 in grant funds plus \$1,500 in matching funds)

53 Payments to Commercial Customers (16 @ \$2,000)

<Types and/or use of rebates>

Total Cost for this line item is \$32,000 (or \$30,000 in grant funds plus \$2,000 in matching funds)

54 ***Approximate Total Customer Rebates = \$43,500 (or 40,000 in grant funds plus \$3,500 in matching funds)***

55 **Other Direct Costs**

56 Other Direct Costs Detailed

<Detail, by line item, each item that is being considered other direct costs>

Total Cost for this line item is \$10,000 (or \$5,000 in grant funds plus \$5,000 in matching funds)

57 ***Approximate Total Other Direct Costs = \$10,000 (or \$5,000 in grant funds plus \$5,000 in matching funds)***

58 **Total Sub-Contractual Services, Large Equipment, Customer Rebates, and Other Expenses = \$333,865 (or \$225,365 in grant funds plus \$108,500 in matching funds)** (Lines 47, 50, 54, 57)

59 **Total Direct Costs = \$956,317 (or \$619,312 in grant funds plus \$337,185 in matching funds)**

60 **Indirect Costs**

61 Indirect Cost (0.019083)

Indirect Costs account for expenditures that are unforeseen and are not considered part of direct costs. This line item is not to exceed (0.019083) of the direct costs.

62 **Total indirect costs = \$18,249 (or \$11,815 in grant funds plus \$6,435 in matching funds)**

63 **The Total Project Cost = \$974,567 (or \$630,947 in grant funds plus \$343,620 in matching funds)**

### Attachment 3: Cost Benefit Test Requirements

Please provide the calculations and results of both the Total Resource Cost (TRC) test and the Societal Cost Test (SCT). Other cost tests can be analyzed and provided by the applicant, but the TRC and SCT analysis and results are a requirement of each applicant. Failure to include the analysis and results of these two tests will result in rejection of the application. Applicants should submit a list of inputs and assumptions for all studies performed, and specify the model used for each study. In addition, provide detailed items used as costs for each test and detailed items used as benefits in your calculation.

TRC and SCT – Benefits and Costs may include, but are not limited to, the following:

Test	Items Typically Included as Costs	Items Typically Included as Benefits
<b>TRC</b>	<ul style="list-style-type: none"> <li>Energy-related costs avoided</li> <li>Capacity-related costs avoided by the utility, including generation, production transmission, and distribution</li> <li>Additional resource savings (i.e., gas, electricity, water, or other)</li> <li>Monetized environmental and non-energy benefits</li> <li>Applicable tax credits</li> </ul>	<ul style="list-style-type: none"> <li>Program overhead costs</li> <li>Program installation costs</li> <li>Incremental measure costs (whether paid by the customer or applicant)</li> </ul>
<b>SCT</b>	<ul style="list-style-type: none"> <li>Energy-related costs avoided</li> <li>Capacity-related costs avoided including generation, production transmission, and distribution</li> <li>Additional resource savings (i.e., gas, electricity, water, or other)</li> <li>Non-monetized benefits (and costs) such as cleaner air or health impacts</li> </ul>	<ul style="list-style-type: none"> <li>Program overhead costs</li> <li>Program installation costs</li> <li>Incremental measure costs (whether paid by the customer or applicant)</li> </ul>

**Avoided Cost** – Applicant should state the Michigan utility service territory where the project will be located and utilize the avoided cost for capacity and energy found in the most recently approved Integrated Resource Plan (IRP) filing for that utility for electric projects, and avoided costs of natural gas commodity, transportation, delivery and any storage costs for natural gas projects. If the project is to be located in a service territory of a utility company that is not regulated by the MPSC, the applicant should utilize the avoided cost for the nearest regulated utility provider to the project or provide a detailed avoided cost calculation for capacity and energy including all components and their applicable cost assumptions.

**Non-Energy Benefits** – Applicants should utilize a cost of \$.04/kWh (or \$1.17/therm) for non-energy benefit assumptions. If the applicant chooses to utilize a different non-energy benefits cost, a detailed calculation should be provided including all assumed components and their applicable costs.

Other costs and benefits that should be considered are listed below:

Costs

---

Energy Generation	Distribution O&M	Taxes
Capacity Generation	Distribution Voltage	Depreciation

Environmental Compliance  
RPS/CES Compliance  
Ancillary Services  
Capacity Transmission  
Transmission System Losses  
Distribution Capacity  
Distribution System Losses

Financial Incentives  
Program Administrative Costs  
Utility Performance Incentives  
Distributed Generation Tariffs  
Risk  
Capital Costs  
Gas Transportation Costs

Drilling  
Water  
Gas Production  
Gas Purchases  
Supplemental Fuel Costs  
Market Price Effects  
Interconnection Fees

---

Benefits

Customer Savings  
Carbon Emission Reduction  
Other Environmental Impacts  
Community Economic Impacts  
Public Health

Energy Security  
Plant Efficiencies  
Low Income Impacts  
BIPOC Community Impacts

Employment Creation  
Reliability  
Resiliency  
Avoided Utility Costs