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TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator

CC: John Fournier, Deputy City Administrator  
Missy Stults, Sustainability & Innovations Director

SUBJECT: February 21, 2023 Council Agenda Response Memo

DATE: February 16, 2023

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**CA-16 – Resolution to Approve a Grid Resilience and Innovation Partnerships (GRIP) Grant Application to the U.S. Department of Energy for Creating an Ann Arbor Sustainable Energy Utility and Launching Microgrids in Three Areas of the City**

**Question:** Roughly how much of the cost of the 3 SEU pilot projects will the \$50M proposed grant (of which \$25M comes out of the millage funds for the required match) cover? The text of the resolution explains that this proposal can only ask for a fraction of the max federal grant amount given the limits on matching funds available to the City. Are there any other possible sources of matching funds in any other areas of the City budget? (Councilmember Disch)

**Response:** The final technical scope and budget are still be designed so we are not able to provide the specific costs of the microgrids at this time. As noted in the memorandum to the resolution, the 50% match requirements are likely to be the limiting factor for the amount of federal aid we can apply for. As the lead applicant, the City is preparing to provide the majority of the match but all partners on the proposal have been asked to identify the match they can contribute to help us maximize the impact of the grant application (e.g., staffing dollars, product discounts, infrastructure dollars). Those figures are still being compiled but a rough estimate is that the City will provide around 65-70% of the match in the form of: staffing (part of multiple staff's time), rebates (as proposed in the community climate action millage budget), professional services (such as legal and engineering support), and intern time (for community engagement support).