

**AMENDMENT NUMBER 1 TO
PROFESSIONAL SERVICES AGREEMENT BETWEEN
ELEVATE ENERGY AND THE CITY OF ANN ARBOR FOR
RESIDENTIAL REBATE ADMINISTRATOR**

This Amendment Number 1 (“Amendment”) is to the Professional Services Agreement between the City of Ann Arbor, (“City”) and Elevate Energy (“Contractor” or “Administrator”) for Residential Rebate Administrator, which is dated December 18, 2023 (“Agreement”). City and Contractor agree to amend the Agreement as follows:

- 1) Article 1, DEFINITIONS, is amended to read as follows:

1. DEFINITIONS

Administering Service Area means **Administration**.

Contract Administrator means Missy Stults, acting personally or through any assistants authorized by the Director/Manager of the Administering Service Area/Unit.

Deliverables means all documents, plans, specifications, reports, recommendations, and other materials developed for and delivered to City by Contractor under this Agreement.

Effective Date means the date this Agreement is signed by the last party to sign it.

Program Design means the program co-designed by Contractor and the City and approved by the City to implement the Residential Rebate Program as further described in Exhibit C.

Rebate Fund means the fund established and maintained by Contractor from which Contractor will pass through funds to eligible entities as further detailed in Exhibit C.

Services means the Residential Rebate Administrator services to be performed by Contractor as further described in Exhibit A and Exhibit C.

- 2) Article 9, OBLIGATIONS OF THE CITY, is amended to read as follows:

9. OBLIGATIONS OF THE CITY

- A. The City shall give Contractor access to City properties and project areas as required to perform the Services.
- B. The City shall notify Contractor of any defect in the Services of which the Contract Administrator has actual notice.
- C. The City shall provide Contractor with passthrough funding not to exceed \$450,000 in Fiscal Year (FY) 2024, \$1.9 million in Fiscal Year 2025, and \$1.9

million in Fiscal Year 2026 to establish and maintain a Rebate Fund as further detailed in Exhibit C.

- 3) The Agreement is amended to include the Exhibit C attached to this Amendment immediately following Exhibit B of the Agreement.

All terms, conditions, and provisions of the Agreement, unless specifically amended above, shall apply to this Amendment and are made a part of this Amendment as though expressly rewritten, incorporated, and included herein.

City and Contractor agree that for this Amendment and any documents related to the Agreement: 1) signatures may be delivered electronically in lieu of an original signature; 2) to treat electronic signatures as original signatures that bind them; and 3) signatures may be executed and delivered by facsimile and upon such delivery, the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

This Amendment to the Agreement shall be binding on the parties' heirs, successors, and assigns.

[SIGNATURE PAGE FOLLOWS]

For Elevate Energy

By _____

Name: Abigail Corso

Title: Chief Strategy Officer

Date: _____

For City of Ann Arbor

By _____

Milton Dohoney Jr., City Administrator

Date: _____

Approved as to substance

Missy Stults, Sustainability and Innovations
Director

Approved as to form and content

Atleen Kaur, City Attorney

CITY OF ANN ARBOR

BY: _____
Christopher Taylor, Mayor

BY: _____
Jackie Beaudry, City Clerk

Exhibit C Program Design

I. Purpose.

The Ann Arbor Residential Rebate Program (“Rebate Program”) is designed to support residents in the City of Ann Arbor, Michigan (“Ann Arbor” or “the City”) with making improvements that will protect public health, reduce greenhouse gas emissions, save residents money, and advance the City’s carbon neutrality and equity work.

This Program Design was co-developed by the City and Elevate Energy (“Contractor” or “Administrator”) as required in Exhibit A. This Program Design also incorporates the Residential Rebate Program Operations Guide (“Rebate Guide”), which is a living document, which may be amended from time to time, that outlines exactly how the Rebate Program will be administered. The City reserves the right to make changes to the Rebate Guide as it sees fit to maximize the impact of the intended purposes of the Rebate Program.

The following sections describe the budget, distribution method, and eligible uses for Rebate Program funds.

II. Budget.

Funding from the City of Ann Arbor Office of Sustainability and Innovations has been budgeted to be granted through the Rebate Program in the following amounts: \$450,000 in Fiscal Year 2024; \$1.9 million in Fiscal Year 2025; and \$1.9 million in Fiscal Year 2026. The forgoing budgeted amounts are not compensation to Administrator and will be pass through funds to be distributed as rebates to approved applicants.

The Rebate Program is structured so that 50% of budgeted rebate funds are reserved for income-qualified segments of the population (e.g., those making 120% Area Median Income or less) and 50% of budgeted rebate funds will be open to any Ann Arbor resident, regardless of income. In addition, within each bucket, 50% of the funds are reserved and 50% are unreserved. The City, in collaboration with Administrator, reserves the right to make changes to the allocation of rebates based on demand, uptake, lessons learned, program success, and/or other variables.

III. Rebate Fund Establishment and Transfer of Funds.

Upon execution of Amendment 1 to the Agreement, Administrator will begin advertising the Rebate Program using methodologies and outreach approaches approved by the City. Administrator will receive, verify, and approve eligible rebate applications according to the procedures detailed in the Rebate Guide.

Administrator will establish a Rebate Fund to temporarily hold funds transferred from the City for approved rebates. Administrator will distribute rebate funds to approved rebate applicants as soon as is administratively feasible to minimize the time elapsing between the receipt of funds from the City and distribution of the funds to rebate award recipients.

Administrator will account for the funds deposited in the Rebate Fund separately from all other funds and funding the Administrator may have for other purposes. Administrator will adhere to applicable accounting standards, principles, and procedures, utilize adequate internal controls, and maintain necessary source documentation for the funds. Administrator's accounting system for tracking funds and recording expenditures shall comply with generally accepted accounting principles. Administrator agrees to share, upon request, all records and accounting books with the City as it pertains to the Rebate Fund and the Rebate Program.

To initiate the transfer of budgeted rebate funds from the City, Administrator will submit periodic rebate disbursement requests (up to weekly) to the City for the amount of approved and unpaid rebates. Such funds will then be passed through as rebate awards to eligible and approved rebate applicants as soon as administratively feasible. All rebate disbursement requests will contain the rebate tracking number, the type of rebate being awarded, the amount of the rebate, and how much available funding remains. Administrator must only use the funds as passthrough funds to rebate applicants as detailed under the eligible uses outlined in Section IV below. Payment for administration of the Rebate Program will not be paid from the Rebate Fund. Administration expenses shall be billed as outlined in Exhibit B.

In the event this Agreement expires or is terminated before all funds transferred to the Administrator for the Rebate Fund are expended under the terms of the Agreement, the Administrator shall refund to the City the full amount remaining in the Rebate Fund within ninety (90) days of expiration or termination.

The Administrator shall submit a report to the City on a weekly basis, which includes the number of rebates approved and the total amount of money issued from the Rebate Fund to date, the total budget remaining for the Fiscal Year, the types of rebates approved, the estimated GHG emissions savings year-to-date, the number and dollar amount of rebates reserved, the number and dollar amount of rebates reserved and distributed for income qualified and market rate rebates, and a history of weekly rebates processed year-to-date. Additional reporting requirements are outlined in Exhibit A.

When the full amount of rebate funds has been expended for the Fiscal Year, Administrator will form a waitlist until more funds become available.

IV. Applicant Eligibility.

To be eligible to receive a rebate award under the Rebate Program, an applicant must use the funding for a project located in the City of Ann Arbor in a residential building or property of up to four units. Fifty percent (50%) of the amount budgeted for the Rebate Program shall be reserved for projects in buildings occupied by residents that are income-qualified (e.g., up to 120% of Area Median Income (AMI), or another threshold established by the City). The remaining fifty percent (50%) of the amount budgeted to the Rebate Program will have no income qualification.

An applicant applying for an income-qualified rebate may elect to reserve rebate funds. Fifty percent (50%) of funds reserved for non-income qualified rebates will be reservable by applicants. Reserved funds will be held for applicants to complete a project within 60 days. The City may adjust the percentage of funds allocated for income-qualified projects, the percentage of funds that can be reserved, the reservation period, and the reservation process.

V. Eligible Uses of Funds.

Administrator shall only request budgeted funds from the City and distribute funds from the Rebate Fund for approved projects that meet the technical eligibility requirements of the Rebate Program as established by the City. See Table 1 below for eligible projects and maximum rebate amounts per project type. The eligible projects and maximum rebate amounts available per project type may be adjusted at the discretion of the City.

Table 1

| | Income Qualified Rebates | Non-Income Qualified Rebates |
|-------------------------|-------------------------------------------------|-------------------------------------|
| | Maximum Rebate Amount | Maximum Rebate Amount |
| Solar | <i>No solar rebates available in first year</i> | |
| Battery Storage | \$3,500 | \$2,000 |
| Energy Efficiency | \$4,000 | \$2,500 |
| Air Source Heat Pumps | \$3,500 | \$2,500 |
| Heat Pump Water Heaters | \$2,000 | \$1,000 |
| Electric Panel Upgrades | \$2,000 | \$1,000 |
| Standard E-Bikes | \$1,000 | \$250 |
| Cargo E-Bikes | \$1,500 | \$500 |