



Legislation Details (With Text)

File #: 24-0809 **Version:** 1 **Name:** 6/3/24 Resolution to Approve an Amendment to the Professional Services Agreement with Elevate Energy for Administration of the Residential Rebate Program to Include Funding for Rebates (\$4,250,000.00)

Type: Resolution **Status:** Passed

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Title: Resolution to Approve Amendment 1 to the Professional Services Agreement with Elevate Energy for Administration of the Residential Rebate Program and to Authorize the Disbursement of Funds (\$4,250,000.00 in FY24-26)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2024-01-26_ELEVATE ENERGY - Professional.pdf, 2. Elevate_Residential Rebate_Amendment 2024_final_Clean.pdf

Date	Ver.	Action By	Action	Result
6/3/2024	1	City Council	Approved	Pass

Resolution to Approve Amendment 1 to the Professional Services Agreement with Elevate Energy for Administration of the Residential Rebate Program and to Authorize the Disbursement of Funds (\$4,250,000.00 in FY24-26)

Attached for your review and approval is a resolution approving Amendment 1 to the Professional Services Agreement with Elevate Energy for Administration of the Residential Rebate Program in compliance with the Rebate Guide and authorizing the disbursement of budgeted Community Climate Millage funds to Elevate Energy, as program administrator, so it can release rebates to eligible and approved applicants.

In January of 2024, Ann Arbor City Council approved a Professional Services Agreement with Elevate Energy to serve as the Administrator for Ann Arbor’s Residential Rebate program. One of the first actions in that agreement was creation of the framework and supporting resources for a local residential rebate program. Working closely with the staff in Ann Arbor’s Office of Sustainability and Innovations, Elevate Energy created a framework and associated operations guide that outlines exactly how the residential rebate program will be administered - the Residential Rebate Program Operations Guide (“Rebate Guide”). The Rebate Guide is viewed as a living document, giving staff the opportunity to make changes, as needed, once the program is operational and lessons have been learned.

Amendment 1 to the Elevate Energy Professional Services Agreement amends the scope of services to incorporate the Rebate Guide and clarify that Elevate Energy’s services must be in compliance with the Rebate Guide. Elevate will not receive any additional compensation for its services under Amendment 1.

With the structure, format, and operational management elements of the residential rebate program having been designed, the City is prepared to launch the residential rebate program to all residents. To do this, however, City Council needs to authorize the disbursement of Climate Millage funds, budgeted for this program and as pass-through funds, to Elevate Energy, as the Residential Rebate Program Administrator, for release to approved rebate program applicants. This resolution authorizes disbursements of a total of \$4,250,000.00 over the next 2.5 years to Elevate Energy, as the City's Residential Rebate Program Administrator, subject to annual limits (\$450,000.00 in FY24; \$1,900,000.00 in FY25, and \$1,900,000.00 in FY26) for release to approved applicants as initially outlined in the table below.

	Income Qualified Rebates		Non-Income Qualified Rebates	
	Max Rebate Amount	# of Rebates	Max Rebate Amount	# of Rebates
Solar	\$1,000	50	<i>Only income qualified rebates available.</i>	
Battery Storage	<i>No income qualification required</i>		\$500	100
Energy Efficiency	\$1,250	750	\$625	550
Air Source Heat Pumps	\$3,500	185	\$2,500	300
Heat Pump Water Heaters	\$750	50	\$500	100
Electric Panel Upgrades	\$1,000	50	\$500	100
Standard E-Bikes	\$1,000	50	\$100	100
Cargo E-Bikes	\$1,200	25	\$200	100

The Rebate Guide sets out when, for what amounts, and how Elevate Energy may request disbursements from the City. The Rebate Guide also includes detailed reporting requirements to ensure that rebates are provided only to eligible applicants for approved sustainability-related improvements. The reporting requirements will also provide necessary information for auditing and for measuring program impact and success.

While the design of the residential rebate program is subject to change, Elevate Energy and the City of Ann Arbor have agreed to an initial design that reserves 50% of the available funding for income qualified households - those making 120% of the area median income or less. The remaining 50% of rebate funding will be available, until funds are expended, to any resident in Ann Arbor.

If this resolution is approved by Council, it is expected that the application portal for the residential rebate program will open in early June 2024. Information about the rebate program and how residents can apply for grants will be circulated immediately following Council's vote on this resolution.

Budget/Fiscal Impact: Funds to be disbursed for the Rebate Program in FY24 are included in the Office of Sustainability and Innovations Community Climate Action Millage approved in FY24, and funds for FY25 and FY26 will be included in future budgets and are subject to Council approval.

Prepared by: Missy Stults, Sustainability and Innovations Director
 Reviewed by: Valerie Jackson, City Attorney - Sustainability
 Reviewed by: Marti Praschan, Chief Financial Officer
 Approved by: Milton Dohoney Jr., City Administrator

Whereas, In 2022 Ann Arbor residents voted to pass the Community Climate Action Millage;

Whereas, A portion of Community Climate Action Millage funds were intended to support residents with making sustainability-related improvements;

Whereas, The Office of Sustainability and Innovations has allocated funds in their Fiscal Year 24, Fiscal Year 25, and Fiscal Year 26 Community Climate Action Millage budgets to support a residential rebate program;

Whereas, The Office of Sustainability and Innovations released RFP 23-48 to secure proposals from firms interested in serving as the City's Residential Rebate Administrator;

Whereas, The City selected Elevate Energy's proposal and in January 2024 entered into a Professional Services Agreement with Elevate Energy to serve as the City's Residential Rebate Administrator;

Whereas, The City of Ann Arbor's Office of Sustainability and Innovations and Elevate Energy have designed an operational residential rebate program and are ready to implement the program;

Whereas, Staff recommend approval of Amendment 1 to the Professional Services Agreement with Elevate Energy to amend and clarify the scope of services and incorporate the Rebate Guide requirements and without any increase in compensation;

Whereas, Elevate Energy complies with the City's non-discrimination and living wage ordinances; and

Whereas, To implement and fund the Residential Rebate Program, staff recommends that City Council authorize the disbursement of budgeted funds to Elevate Energy, as the program administrator, in compliance with the Rebate Guide so it can release rebates to eligible and approved rebate applicants;

RESOLVED, That City Council approves Amendment 1 to the Professional Services Agreement with Elevate Energy for the Residential Rebate Administrator to incorporate the Residential Rebate Program Operations Guide and amend the Scope of Services;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said amendment after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That City Council authorizes the disbursement of funds budgeted for the Residential Rebate Program to Elevate Energy, as the Residential Rebate Program Administrator, subject to compliance with the Residential Rebate Program Operations Guide, as may be amended from time to time, and subject to annual appropriations and the availability of funds in FY25 and FY26;

RESOLVED, That City Council authorizes any upsent FY 2024 funding for the Residential Rebate Program from the Sustainability and Innovations expenditure budget in the Climate Action Millage fund to carry forward to the FY 2025 Sustainability and Innovations expenditure budget in the Climate Action Millage fund; not to exceed \$450,000.00;

RESOLVED, That amounts authorized for disbursement herein are without regard to fiscal year; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.