



Legislation Text

File #: 23-1644, Version: 1

Resolution to Accept District Geothermal Grant Funds from the US Department of Energy to Support a District Geothermal Design and Deployment to Equitably Decarbonize a Low-Income Neighborhood in Ann Arbor Project and Approve a Cooperative Agreement with the US Department of Energy (\$642,286.00). **(8 Votes Required)**

Attached for your review and consideration is a resolution to authorize acceptance and administration of grant funding from the US Department Energy and approve Cooperative Agreement with the US Department of Energy to work with residents in the Bryant neighborhood, Ann Arbor Public Schools, Washtenaw County, IMEG, Community Action Network, Midwest Geothermal Energy Association, International Ground Source Heat Pump Association, International Brotherhood of Electrical Workers Local 252, U.A. Local 190, Michigan Energy Services, Arbor Consultants, D4 Consultants, Midwest Geothermal, DTE Gas, and the University of Michigan to design a district geothermal system capable of reducing thermal heating and cooling load by 75%.

More specifically, there are four main objectives of this project:

1. Design a district geothermal heating and cooling system that reduces thermal heating and cooling load by 75% and greenhouse gas emissions by 40%;
2. Design a district geothermal system that eliminates energy burden in a frontline, justice40 neighborhood;
3. Create a strategy for scaling up good paying, family-sustaining jobs necessary to replicate this project in other areas of the City, region, and state; and
4. Create a replicable model of both community engagement and geothermal design that can be scaled throughout the City and region.

To accomplish the objectives, this DOE approved grant would focus on seven core tasks:

- Forming a steering committee.
- Regular community-designed public engagement activities.
- Conducting a detailed hourly load profile analysis for current and projected future natural gas and electricity usage for all sites considered for the geothermal district.
- Co-create a workforce development plan with residents, labor representatives, and professional societies.
- Develop draft socio-techno-economic model for potential geothermal system(s).
- Finalize socio-techno-economic model and community-scale geothermal design.
- Submit final deliverables and prepare down selection documentation.

The total cost inclusive of all project elements is \$642,286.00, of which \$563,250.00 is being provided through this U.S. Department of Energy grant. The remainder is cost share from DTE and the City of Ann Arbor for in-kind staff time to support the project. DTE and City's in-kind staff time is \$25,000.00 and \$54,036.00, respectively.

The City will execute a Cooperative Agreement with the US Department of Energy.

Budget/Fiscal Impact: The only budget impact is the use of staff's time to administer and manage the grant as set forth above. These have been built into the OSI work plan so there are no formal budget impacts associated with this project.

Prepared by: Missy Stults, Sustainability and Innovations Director

Reviewed by: Marti Praschan, Chief Financial Officer

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City's A²ZERO work focuses on equitably decarbonizing as many homes and businesses as possible;

Whereas, City staff worked with numerous community stakeholders, including Washtenaw County, Ann Arbor Public Schools, Community Action Network, and many others to design a project that would allow us to work directly with residents to design a district geothermal system; and

Whereas, The Project team put together a grant application to the U.S. Department of Energy to fund the engagement, workforce development, and technical analysis necessary to design a district geothermal system capable of reducing thermal heating and cooling load in and around the Bryant Community Center by 75%;

RESOLVED, That City Council accepts a grant of \$642,286.00 from the US Department of Energy to support a District Geothermal Design and Deployment to Equitably Decarbonize Low-Income Neighborhoods in Ann Arbor;

RESOLVED, That City Council appropriates \$642,286.00 to the FY24 Major Grants Program Fund Sustainability expenditure budget with the source of revenue being \$563,250.00 from the US Department of Energy and \$79,036.00 as a transfer from the Community Action Millage Fund for the purpose of District Geothermal Design and Deployment to Equitably Decarbonize a Low-Income Neighborhood in Ann Arbor Project;

RESOLVED, That all amounts herein are without regard to fiscal year;

RESOLVED, That City Council approves a Cooperative Agreement with the US Department of Energy for these funds;

RESOLVED, That the Mayor and Clerk are authorized and directed to execute the Cooperative Agreement following approval as to form by the City Attorney and as to substance by the City Administrator; and

RESOLVED, That the City Administrator is authorized to take all appropriate actions to implement this resolution.