

March 20, 2024

Dr. Missy Stults, Sustainability and Innovations Director  
City of Ann Arbor  
301 E. Huron Street, Ann Arbor, MI 48104

**Re: SEMCOG Support for City of Ann Arbor CPRG Implementation Grant**

Dear Dr. Stults,

It is my pleasure to share this letter of support and commitment on behalf of the Southeast Michigan Council of Governments (SEMCOG) for the City of Ann Arbor's application to the U.S. Environmental Protection Agency's Climate Pollution Reduction Grant opportunity.

SEMCOG recently adopted the Priority Climate Action Plan for Southeast Michigan (PCAP), highlighting key areas of work that are essential to reach the goals established both the State of Michigan's MI Healthy Climate Plan as well as the Climate Action Plans adopted by many local communities in Southeast Michigan. The decarbonization of buildings and industry is one of the key areas for investment identified in the PCAP, specifically: decarbonizing households across the region; decarbonizing municipal buildings and facilities; and decarbonizing small to medium commercial and industrial buildings. Specific actions in this area include "leveraging projects such as the community ground source heat exchange network developed in Ann Arbor through funding from the Department of Energy to ensure the local expertise and benefits gained are shared throughout the region." In our emissions calculations, we include the goal of "1,000 single family homes retrofit, ground source heat pumps replacing furnaces and hot water heating, and 4,800 kW of rooftop solar."

SEMCOG included this action and goal because we recognize its critical importance. The region's cold-weather climate, building characteristics, and current energy costs all present challenges for decarbonization. However, a project like Ann Arbor's – which aims to install a district geothermal systems that connects 262 low-income households, a community center, a public elementary school, a county mental health facility, and the City's public works facility – aligns with many regional priorities that we are excited to see advanced.

More specifically, we know that the high upfront costs of cold climate air source heat pumps and air handlers, when compared to a traditional furnace or air conditioning unit, makes these updated technologies largely out of reach for low-income households. Moreover, we realize that existing weatherization services are focused on energy efficiency work – which is a critical element of efforts to decarbonize. However, these existing programs are not able to provide support with beneficial electrification, onsite renewable energy generation, or energy storage systems to help ensure that our low-income households have resilient sources of power. Ann Arbor's work with the residents of the Bryant neighborhood to design a holistic strategy to what it would take to make this America's first carbon neutral existing neighborhood is not only visionary, but exemplifies a best practice for others throughout our region and state. The City's CPRG grant would help advance that vision by providing the funding necessary to do in-home appliance switch outs necessary to connect each household and community side into the district geothermal system.

To support this project, SEMCOG is prepared to lend our vast outreach and engagement resources so that the story of this project can be amplified throughout our region. We are also prepared to co-sponsor a webinar with the City and the residents in Bryant to discuss this program and explore how other communities in Michigan and across the country can lean into thermal energy solutions to decarbonize heating and cooling systems.

The City of Ann Arbor's CPRG grant is focused on working directly with a neighborhood that has historically seen underinvestment to make it the region's leader in climate action. We believe this project demonstrates the right balance of innovation, community support, scale, and potential for replication. We are glad to support the City's CRPG application and hope that it receives strong consideration for funding.

Sincerely,

A handwritten signature in cursive script, reading "Amy O'Leary".

Amy O'Leary  
Executive Director