



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING



PHILLIP D. ROOS
DIRECTOR

March 22, 2024

VIA EMAIL

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

Dear Dr. Stults:

It is my pleasure to share this letter of support and commitment on behalf of the Michigan Department of Environment, Great Lakes, and Energy's (EGLE) Office of Climate and Energy for the City of Ann Arbor's application to the U.S. Environmental Protection Agency's Climate Pollution Reduction Grant (CPRG) opportunity.

The State of Michigan recently released our Priority Climate Action Plan (PCAP) highlighting key areas of work we know are essential to hitting the goals and timelines established in our MI Healthy Climate Plan. One of the key areas for investments within our PCAP is the decarbonization of commercial and residential buildings, especially as it relates to fuel switching heating systems from fossil gas to renewable sources of energy. Ann Arbor's plan to support this work via the installation of a district geothermal system 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 is just the type of project we are excited to see advanced.

More specifically, we know that transitioning to sustainable heating and cooling sources in cold climates is complicated. We also 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. But these programs are not able to provide support with beneficial electrification, on-site 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 serves as an inspiration for others throughout the state. And their 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.

Dr. Missy Stults

Page 2

March 22, 2024

To support this project, the Office of Climate and Energy is prepared to lend our vast outreach and engagement resources so that the story of this project can be shared statewide. We are also prepared to co-sponsor a webinar with the City and the residents in the Bryant neighborhood 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 about working directly with a historically underinvested-in neighborhood to make it the region's leader in climate action. And while we realize you will get many worthy grant applications, we believe this project demonstrates the right balance of innovation, community support, scale, and potential for replication. That is why we are glad to support the City's CRPG application and hope you will give it strong consideration for funding.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cory Connolly', with a stylized, cursive script.

Cory Connolly
Chief Climate Officer
Office of Climate and Energy
517-881-8972

cc: Phillip D. Roos, Director, EGLE
James Clift, Deputy Director, EGLE
Julia Field, EGLE