

Section 7: Budget Narrative

a. Budget Detail

The City of Grand Rapids is requesting \$44,194,118 in funding for three GHG Reduction measures to be installed at the Butterworth Landfill site. For a detailed breakdown per measure, please see attached appendix Budgetcalcs_CityofGrandRapids. A summary is as follows:

BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	TOTAL PERSONNEL	\$75,085	\$80,462	\$86,146	\$91,428	\$93,252	\$426,373
	TOTAL FRINGE BENEFITS	\$43,774	\$47,237	\$48,300	\$51,682	\$56,796	\$247,789
	TOTAL CONSTRUCTION	\$9,790,000	\$12,180,000	\$17,000,000	\$0	\$0	\$38,970,000
	TOTAL EQUIPMENT	\$520,000	\$0	\$0	\$0	\$0	\$520,000
	TOTAL SUPPLIES	\$3,000	\$0	\$0	\$3,000	\$0	\$6,000
	TOTAL CONTRACTUAL	\$2,415,000	\$95,000	\$15,000	\$0	\$0	\$2,525,000
	TOTAL OTHER	\$208,394	\$362,495	\$369,383	\$389,080	\$169,604	\$1,498,956
	TOTAL DIRECT	\$13,055,253	\$12,765,194	\$17,518,829	\$535,190	\$319,652	\$44,194,118
	TOTAL INDIRECT	\$0	\$0	\$0	\$0	\$0	0
TOTAL FUNDING		\$13,055,253	\$12,765,194	\$17,518,829	\$535,190	\$319,652	\$44,194,118

Measure 1: 2MW Primary Circuit Array & Infrastructure

\$8.4 million will be invested through three vendor contracts to complete Measure 1 – the PC Connection and Solar Array. Vendor 1 – Once selected, this consultant will be responsible for providing professional services that produce design and performance specifications of the solar panels and controls to be used to solicit competitive bids for construction/installation. In addition, they will be responsible for coordinating with Consumers Energy, the U.S. Environmental Protection Agency, the Butterworth Site Group, and other stakeholders for plan approval. Vendor 2 – Once selected, this consultant will complete the construction engineering and inspection of the Primary Circuit connection. Vendor 3 – Once selected, the successful bidder will provide submittals with equipment-specific technical design and complete installation/construction to performance specifications.

Measure 2: 5MW LIDAC Community Solar

\$14,739,118 million will be invested to complete Measure 2 – a 5MW LIDAC community solar array. Total capital costs for final solar array design, construction, commissioning and operations and maintenance are estimated to be \$12.5 million. This estimate is based preliminary cost estimates received from developers in December 2023 in response to the City's RFI/RFQ. On average, the developers' estimated cost for solar at the Site was \$2.75 million/MW. This cost estimate does not take into consideration tax credits. The City is using \$2.5 million/MW for purposes of this grant application (\$2.5 million/MW x 5MW = \$12.5M).

In the absence of privately developed community solar legislation, the City will pursue a community solar type array via Consumers Energy's Solar Gardens Sunrise program. Consumers Energy's Solar Gardens-Sunrise program is available upon request to all Full-Service non-profit organization electric customers who have not received a shut off notice in the previous nine months. Participants to whom the non-profit subscriber wishes to assign SolarBlocks for purposes of sharing bill credits must be Full-

Service electric customers that meet income eligibility requirements based on established income-eligibility criteria as defined in Consumers Energy's Tariff Rule C5.4, Shutoff Protection Plan for Residential Customers. Non-profit organizations wishing to participate must have processes in place in which to determine potential assigned participants meet income qualifications.

The participating non-profit organization who will hold the subscription to the SolarBlocks will retain all rights to manage the SolarBlocks. The City is including \$336,956 over five years for a subgrant for program administration for the non-profit that is selected to manage household participation in the Solar Gardens Sunrise program, equivalent to the cost of .5 FTE employee salary and benefits over five years. The anticipated workload for this program for the non-profit will be heavier during outreach and onboarding but will continue to be essential as a resource for participants and for reporting purposes.

To accommodate accessible and equitable outreach for participant families \$60,000 is included for translation services over the first three years and \$16,000 for marketing, web design and printing materials to be spent over the first two years.

To ensure LIDAC voices and lived experience are prioritized in this process, the City is including \$444,000 in community subgrant investments for the Solar Justice Team. Participants on the Solar Justice Team will be compensated \$25 per hour for up to 20 hours a month for the first year of the grant, the planning period. Team members will be compensated at the same rate for 15 hours a month for the second and fifth years of the program and 10 hours per month for the third and fourth years. In total, team members will be compensated \$399,000 for their participation on the Solar Justice Team. An additional \$45,000 is budgeted to provide as much accessibility as possible for Solar Justice Team members to attend meetings (food, venue, transportation, facilitation, childcare, etc.). Unless otherwise determined by the team, the meetings will be hosted in venues and food will be purchased from businesses located within the DAC.

To offset the lack of existing programs locally for clean energy career development, The City included \$70,000 in a subgrant to develop a career development training plan over two years and \$180,000 over three years for a total investment of \$540,000 to support 30 individuals participating in clean energy training. This support is \$18,000 per person and includes an hourly rate to compensate individuals for their time as well as transportation, food, and childcare.

To manage the City's participation across all three GHG reduction measures, facilitation of the Solar Justice Team, assist with grant management, and identify future funding opportunities to sustain the program over the thirty-year lifespan of the infrastructure the City's is including one FTE Solar Justice Specialist staff member for \$674,162 over five years with salary and benefits. An additional \$6,000 is requested for computer technology for the position, as well as \$17,000 in professional development over the five-year grant period.

Lastly, the City is including \$75,000 for a subgrant for pollinator and native plantings under the array and along recreation pathways around the landfill. The array site is located southwest of downtown Grand Rapids, directly adjacent to the John Ball Neighborhood, which is one of Grand Rapids' neighborhoods of focus – defined as census tracts with the highest percent of Black, Indigenous, and People of Color (BIPOC) residents and the greatest disparities across all quality-of-life indicators (education, wealth, jobs, etc.). These plantings will serve to beautify and encourage recreation and access to greenspace in a positive reuse of a landfill for LIDAC EJ communities.

Measure 3: 8MW Vicinity eSteam Infrastructure

\$21,575,000 is being requested for the Vicinity eSteam portion of the project. \$16 million will be used for the construction and installation of the solar array and controls, while \$3.27 million will fund the construction and integration of the eSteam boiler and associated infrastructure. The construction and integration of the eSteam boiler and infrastructure at the Vicinity Energy district energy plant is comprised of installation of Structural Steel & Mezzanine (\$150,000), Concrete Pads (\$5,000), Gantry Crane modification (\$15,000), Primary Service Switchgear (\$450,000), Service Switchgear Modifications (\$150,000), Conduit & Feeders (\$175,000), Auxiliary Service Connections (\$55,000), Rigging, Electric Boiler Configuration (\$390,000), Mechanical installations (\$380,000), I&E Equipment & Materials (\$75,000), Controls (\$50,000), Construction Management Fees (\$140,000) and contingency (\$600,000).

\$520,000 is budgeted for eSteam Plant Auxiliary Equipment – The equipment necessary for the full operation of the eSteam boiler to be installed at Vicinity Energy’s existing power plant in Grand Rapids includes a deaerator, feed pump, and Water Treatment Skid.

\$1.265 million is estimated to be invested in design and construction engineering and startup/commission contracts.

b. Expenditure of Awarded Funds

Measures 1 & 3: 2MW Primary Circuit Array & Vicinity eSteam

The proposed project’s measures 1 & 2 will be managed by the Engineering Department and supported by the Office of Sustainability and Strategy. The Engineering Department’s internal structure supports the award and management of projects of any size. It utilizes a web-based bidding system, Accela for permitting, and Microsoft Project to manage engineering projects. The Department is experienced in managing projects with multiple funding sources, tracks project details, and prevents comingling of funds. Staff tracks time worked by project. Engineering’s own accounting staff audits each disbursement by funding source in compliance with OMB Uniform Administrative Requirements (2 CFR 200). Project Managers and Grant Management staff work alongside each other ensuring compliance with grant terms, accurate and timely expenditure of funds, and compare contractor performance with project milestones. Invoices received by contractors are confirmed and verified against actual project progress before payment is issued. Potential performance or timeliness issues are addressed at first indication of difficulty to ensure timely expenditure of grant funds.

Measure 2: 5MW LIDAC Community Solar

The Office of Sustainability and Strategy will coordinate the necessary parties to ensure timely expenditure of funds to all subgrantees. The proposed community solar project itself will be managed through the Consumers Energy Solar Sunrise Program in partnership with the selected non-profit subgrantee. Consumers Energy’s Clean Energy Plan accelerates the end of coal use to 2025, dramatically boosting the contribution of solar energy and using natural gas as a bridge fuel to help meet the state’s energy needs reliably while protecting the environment for generations to come. By 2040, Consumers is committed to clean, renewable fuel sources such as solar and wind comprising more than 60 percent of

their electric capacity. Consumers Energy is motivated to move quickly to meet the renewable energy goals set by the State of Michigan and their own Clean Energy Plan.

The Office of Sustainability and Strategy will act as facilitator for the Solar Justice Team and the non-profit sub-grantee. The Office has experience managing community teams with multiple funding sources. The Office of Sustainability will coordinate the pollinator/native planting sub-grantee in partnership with the City's Parks and Recreation Department. Lastly, the Office of Sustainability will work in partnership with the sub-grantee for the clean energy career development plan and pilot program to ensure outcomes are met and reporting requirements adhered to.

b. Reasonableness of Costs

Measure 1 & 3 – PC Connection & Solar Array and Vicinity eSteam

The cost estimates contained for measure one are based on the responses collected as part of a recent Request for Information (RFI) for this project and estimates from the licensed professional engineers within the Engineering Department and the figures derived from the consultant hired to complete the design of the Primary Circuit Extension, Geotech. Sixteen responses were received from the RFI, and the information compiled to produce cost estimates and the future Request for Proposals. Budgetary estimates were also informed by internal engineering and project management resources familiar with the procurement, installation and construction of similar equipment in Grand Rapids.

Measure 2 – LIDAC Community Solar

The cost estimates for the City's FTE staff salary and benefits and the sub-grant to the non-profit for .5 FTE salary and benefits are based on the current union contract salary requirements for the equivalent position at the City (Administrative Analyst 1) and the cost of benefits over five years. Technology and professional development estimates are based on current City of Grand Rapids Office of Sustainability budget allotments per employee and per City policy for technology renewal.

The estimated cost of all solar array components are based on five solar developers that provided preliminary cost estimates for developing solar on the Butterworth Landfill in December 2023 in response to the City's RFI/RFQ. On average, the developers' estimated cost for solar at the Site was \$2.75 million/MW. This cost estimate does not take into consideration tax credits. The City is using \$2.5 million/MW for purposes of this grant application (\$2.5 million/MW x 5MW = \$12.5M). Estimates for the Solar Justice Team, language translation, career development training plan and program, and marketing/printing materials were developed in partnership with community advocate during discussions on the Solar Justice Program and informed by current budget practices by the local climate justice organization, Community Collaboration on Climate Change (C4).

Participant Support Costs: Participants on the Solar Justice Team will be compensated \$25 per hour for up to 20 hours a month for the first year of the grant, the planning period. Team members will be compensated at the same rate for 15 hours a month for the second and fifth years of the program and 10 hours per month for the third and fourth years. In total, team members will be compensated \$399,000 for their participation on the Solar Justice Team. An additional \$45,000 is budgeted to provide as much accessibility as possible for Solar Justice Team members to attend meetings (food, venue, transportation, facilitation, childcare, etc.).

Lastly, the estimate for pollinator and native plantings was provided by a local non-profit, Friends of Grand Rapids Parks, who calculated the cost based on the amount of land coverage, the cost of plants and labor for plantings.