

Section 7: Budget Narrative for the Renewables Ready Communities Program

7a. Budget Detail

This budget narrative uses the EPA's budget categories to explain costs associated with the Renewables Ready Communities Program through the Renewables Ready Communities Awards (Measure 1) and the Brownfield Renewable Energy Pilot Program (Measure 2). Below is a detailed description of the budget requested including major work components and a description of how each budget item relates to the emission reduction activities. Additional details are included in the attached optional budget spreadsheet.

1. Measure 1: Renewables Ready Communities Awards

See Measure 1 Budget tab in the attached budget spreadsheet within this proposal for itemized costs associated with each budget category. Measure 1 of the Renewables Ready Communities Program, the Renewables Ready Communities Awards (RRC Awards), will provide financial incentives to local governments that approve and/or host utility-scale renewable energy and energy storage projects through local permitting processes.

a. Personnel and Fringe:

All staff are considered "Full Time Equivalent" (FTE). The fringe rate is an estimate. Official retirement and insurance rates are unknown for future years, so the State of Michigan uses a conservative estimate based on current conditions that provides 40 percent of total payroll for fringe expenses for senior staff positions and 60 percent for more junior staff positions, as staff with lower classification levels typically have a smaller salary, but benefits comprise a higher percentage of their total payroll. Benefit estimates include costs for pension, FICA (social security), dental, health, and vision insurance, leave balance payouts when employees separate from state service, and other post-employment retirement costs like retirement health care plans.

Renewables Ready Communities Program Manager (1 FTE, State Administrative Manager 15 or "SAM 15"):

- Annual salary: Salary is estimated to be \$140,141 which includes a 5% Cost-of-Living-Adjustment (COLA) for Year 1. COLA of 2.5% is also included for Years 2-5, plus 4% Performance Pay annually (SAM 15 is eligible for Performance Pay and the EGLE Finance Division uses 4% of salary as an estimate).
- Percent of time assigned to project: 100%
- Fringe benefits: Estimated to be 40% of salary plus an additional 1.5% (of salary plus fringe) for terminal leave.
- Total cost for the budget period: \$799,505 salary, \$336,591 fringe. Total cost for budget period is \$1,136,097 for 1 FTE.
- Description of job: Manage five staff and develop the Renewables Ready Communities Program and administer RRC Awards as proposed in this grant application.

Renewables Ready Communities (RRC) Energy Experts (4 FTE, Departmental Analyst 12):

- Annual salary: Salary is \$88,661 which includes a 5% Cost-of-Living-Adjustment (COLA) for Year 1. COLA of 2.5% is also included for Years 2-5.
- Percent of time assigned to project: 100%
- Fringe benefits: Estimated to be 60% of salary plus an additional 1.5% (of salary plus fringe) for terminal leave.

- Total cost for the budget period: Per FTE it is \$466,029 salary, \$290,802 fringe. For all four FTE it is \$1,864,117 for salaries and \$1,163,209 for fringe benefits. Total cost for budget Period is \$3,027,326 for 4 FTE.
- Description of job: Four FTEs will help administer technical assistance for local renewable energy projects across the state. The FTE will require skills in energy planning, zoning, GIS and modeling, and community and stakeholder engagement for local renewable energy projects.

b. Travel

It is estimated that all five FTE may travel ~200 miles a month for the five-year duration of this grant, as projects will require outreach meetings with in-state local officials and communities. Standard rate for mileage is \$.44/mile per State of Michigan travel rates. Some travel will require overnight lodging. The budget includes five \$85/night hotel stays each year for all five FTE, following State of Michigan's approved travel rates, and \$59/day per diem for two days per FTE annually.

Each FTE is also budgeted one out-of-state conference attendance annually. For this, one \$850 flight, two nights of \$100/night hotel lodging, and three \$59/day per diem are budgeted.

The total estimated travel expense over the grant period is \$75,045.

c. Equipment

Measure 1 of the RRC Program is not expected to incur investments in equipment that has a cost of \$5,000 or more per unit.

d. Supplies

Not applicable.

e. Contractual

Renewables Ready Communities Strategic Plan: Utility-Scale Renewable Energy, Energy Storage

- Contract activities and brief scope of work: EGLE will spend \$200,000 in the first year to contract technical analysis on strategically siting renewable energy and energy storage in Michigan. This will include an assessment of where and how the state should direct efforts for utility-scale renewable energy projects and a strategic plan of how to do so by 2030, as well as efforts from 2030-2050.
- Proposed duration: Year 1, Fall 2024-Fall 2025
- Proposed procurement method: EGLE will follow the State of Michigan competitive contract procurement policies.

Language Translation or Interpretation Services

- Contract activities and brief scope of work: To ensure language access at public meetings and/or through written materials EGLE develops, EGLE budgeted \$15,000 a year for language translation and interpretation services for a total of \$75,000 across the five-year grant period.
- Proposed duration: Available funding for each year of the grant.
- Proposed procurement method: Non-competitive unless the individual contracted request is in excess of \$10,000, in which case EGLE will use a competitive process.

Regional Stakeholder Engagement and Technical Assistance Support

- Contract activities and brief scope of work: Measure 1 requires extensive outreach to all townships and municipalities across Michigan. To best support the outreach and community engagement efforts, EGLE will contract services for regional stakeholder engagement and technical assistance support. This contracted service will work with the Renewables Ready Communities Program, and specifically the RRC Awards and the Renewable Energy Academy, to ensure the broadest and deepest reach of the RRC Program, the RRC Awards, and the technical assistance offerings. The Regional Stakeholder Engagement and Technical Assistance Support will ensure that LIDACs are given priority outreach and engagement. EGLE budgeted a total of \$5 million for the contract service, with \$1.5 million in the first year to ensure extensive engagement in the first year of the program, \$1 million the following three years, and \$500,000 in the last year, when the RRC Awards require less engagement and assistance.
- Proposed duration: Contract will last Year 1 through Year 5.
- Proposed procurement method: EGLE will follow the State of Michigan competitive contract procurement policies.

f. Other

Subaward to University of Michigan Center for EmPowering Communities

- The Center for EmPowering Communities will develop technical assistance materials for the Renewable Energy Academy, as described in the grant proposal. Specifically, the Center will create technical assistance for LIDACs that provides guidance on planning for renewable energy goals, community benefits agreements negotiation, use of tax revenue funds from the development, and financial rewards projection of hosting renewable energy projects.
- The Center will receive \$150,000 a year for all five years of the grant for a total of \$750,000.

Renewable Ready Communities Awards (RRC Awards)

- Financial incentives to local governments that approve and/or host utility-scale renewable energy and energy storage projects through local permitting processes. RRC Awards will likely be \$5,000 per MW, up to a maximum of \$3 million per award. According to calculations in the attached Technical Appendix, Michigan will need an estimated 7,029 MW of solar, 9,446 MW of wind, and 743 MW of storage, for a total of 17,218 MW. At \$5,000/MW this results in a total of \$86,087,651 of RRC Awards. With an additional 5% buffer for an energy demand increase beyond our 2030 projections, the total is \$90,392,034 which rounds to \$90.4 million.
- Budgeted to deliver three rounds of the RRC Awards for a total of \$90.4 million. Evenly split between Year 1-Year 3, the amount of incentives awarded per year is \$30,133,334.

LIDAC Additional Incentive

- The RRC Program will set aside a total of \$15 million as an additional incentive to local unit(s) of government that approve and host utility-scale renewable energy and energy storage whose communities are a majority low-income and disadvantaged.

Workforce Development Program Support

- Workforce development programs in EGLE and the Department of Labor and Economic Opportunity (LEO) support [apprenticeship programs](#) related to renewable energy sector and partnerships with the MI Energy Workforce Development Consortium, Center for Energy Workforce Development, and Michigan Works!. EGLE will subaward to such existing workforce development programs based on analysis of what is best suited to meet the workforce needs of the Renewables Ready Communities Program and based on input from Michigan stakeholders,

including labor unions. EGLE budgeted \$800,000 total, with a higher amount allocated in Year 1 and Year 2 and a smaller amount for Years 3-5.

Conference registration for Renewables Ready Communities Program staff.

- Estimated \$1,000 per personnel per year; total \$30,000 over five years for six staff.

Employee training funds for Renewables Ready Communities Program staff.

- Estimated \$1,000 per personnel per year; total \$30,000 over five years for six staff.

Laptops, cell phones, VPNs, and other supplies are calculated at 5% of total wages and fringe for all budgeted personnel. This captures costs for information technology equipment, maintenance, and support for Renewables Ready Communities Program staff. The total for five FTE for all five years is \$208,171.

g. Indirect costs

The negotiated FY24 indirect rate for EGLE is 16.65%. This has been applied to salary and fringes for State of Michigan staff that will be hired to manage the program. The total for five FTE for five years is \$693,210.

2. Measure 2: Brownfield Renewable Energy Pilot Program

See Measure 2 Budget tab in the attached CPRG Implementation Grants Budget Table within this proposal for itemized costs associated with each budget category. Measure 2 of the Renewables Ready Communities Program, the Brownfield Renewable Energy Pilot Program, will create a strategy for encouraging renewable energy on brownfields and will provide dedicated funding through EGLE's Remediation and Redevelopment Division's Brownfield Program to provide grants for renewable energy projects on brownfields.

a. Personnel and Fringe:

The fringe rate is an estimate. Official retirement and insurance rates are unknown for future years, so the State of Michigan will use a conservative estimate based on current conditions that provides 40% of total payroll for fringe expenses for senior staff positions and 60% for more junior staff positions, as staff with lower classification levels typically have a smaller salary, but benefits comprise a higher percentage of their total payroll. Benefit estimates include costs for pension, FICA (social security), dental, health, and vision insurance, leave balance payouts when employees separate from state service, and other post-employment retirement costs like retirement health care plans.

Brownfield Renewable Energy Pilot Program Manager (FTE, Environmental Quality Specialist 15):

- Annual Salary: Salary is \$121,459 which includes a 5% Cost-of-Living-Adjustment (COLA) for Year 1. COLA of 2.5% is also included for Years 2-5.
- Percent of time assigned to project: 100%
- Fringe benefits: Estimated to be 40% of salary plus an additional 1.5% (of salary plus fringe) for terminal leave.
- Total cost for the budget period: \$638,428 salary, \$268,779 fringe. Total cost for budget period is \$907,207 for 1 LTE.
- Position description: Develop and administer the Brownfield Renewable Energy Pilot Program, conduct extensive community and stakeholder engagement, and deliver technical assistance.

b. Travel

It is estimated that the one FTE may travel ~400 miles a month for the five-year duration of this grant, as projects will require outreach meetings with in-state local officials and communities. Standard rate for mileage is \$.44/mile per State of Michigan travel rates. Some travel will require overnight lodging. The budget includes monthly \$85/night hotel stays each year for one FTE, following State of Michigan's approved travel rates, and \$59/day per diem for two days monthly.

One FTE is also budgeted one out-of-state conference attendance annually. For this, one \$850 flight, two nights of \$100/night hotel lodging, and three \$59/day per diem are budgeted.

The total estimated travel expense over the grant period is \$28,875.

c. Equipment

Measure 2 of the RRC Program is not expected to incur investments in equipment that has a cost of \$5,000 or more per unit.

d. Supplies

Not applicable.

e. Contractual

Renewables Ready Communities Strategic Plan: Brownfield Pilot Program Development

- Contract activities and brief scope of work: EGLE will spend \$200,000 in the first year of the grant to contract support for technical analysis to develop the Brownfield Renewable Energy Pilot Program. This will include an assessment of where and how the state should direct efforts for brownfield renewable energy and energy storage and a strategic plan of how to do so by 2030 and then by 2050.
- Proposed duration: Year 1, Fall 2024-Fall 2025
- Proposed procurement method: EGLE will follow the State of Michigan competitive contract procurement policies.

f. Other

Brownfield Renewable Energy Pilot Program Grant Awards

- In Spring 2025, the Brownfield Renewable Energy Pilot Program will launch a grant program to help fund renewable energy projects on brownfields. Total, the grant program will disburse \$10 million in grants starting in Year 1 (Spring 2025) and again in Year 2 (Spring 2026). The grant program will likely be run through the EGLE Brownfield Redevelopment grant program and will match the program's policies.

Subaward to University of Michigan Center for EmPowering Communities

- The Center for EmPowering Communities will develop technical assistance materials for the Brownfield Renewable Energy Pilot Program as described in the grant proposal. This could include a guidebook for siting renewable projects on brownfields, community engagement at brownfield renewable energy sites, etc. These materials will be a part of the RRC Program's Renewable Energy Academy.
- The Center will receive \$150,000 total for all five years of the grant. Year 1 the Center will receive \$50,000 and every year thereafter \$25,000.

Conference registration for Renewables Ready Communities Program staff.

- Estimated \$1,000 per year; total \$5,000 over five years for one staff.

Employee training funds for Renewables Ready Communities Program staff.

- Estimated \$1,000 per year; total \$5,000 over five years for one staff.

Laptops, cell phones, VPNs, and other supplies are calculated at 5% of total wages and fringe for one staff person. This captures costs for information technology equipment, maintenance, and support for Renewables Ready Communities Program staff. For one FTE for the Brownfield Renewable Energy Pilot Program, the total for five years is \$151,050.

g. Indirect costs

The negotiated FY24 indirect rate for EGLE is 16.65%. This has been applied to salary and fringes for State of Michigan staff that will be hired to manage the program.

Consolidated Budget by Year:

BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	TOTAL PERSONNEL	\$616,244	\$637,393	\$659,454	\$682,469	\$706,490	\$3,302,050
	TOTAL FRINGE BENEFITS	\$331,431	\$342,135	\$353,267	\$364,847	\$376,899	\$1,768,579
	TOTAL TRAVEL	\$16,560	\$16,560	\$16,560	\$16,560	\$16,560	\$82,800
	TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL SUPPLIES	\$38,754	\$40,131	\$41,569	\$43,073	\$44,644	\$208,171
	TOTAL CONTRACTUAL	\$1,915,000	\$1,015,000	\$1,015,000	\$1,015,000	\$515,000	\$5,475,000
	TOTAL OTHER	\$40,634,717	\$40,611,310	\$35,479,636	\$348,032	\$349,836	\$117,423,531
	TOTAL DIRECT	\$43,552,706	\$42,662,529	\$37,565,486	\$2,469,981	\$2,009,429	\$128,260,131
	TOTAL INDIRECT	\$157,788	\$163,091	\$168,618	\$174,378	\$180,384	\$844,260
TOTAL FUNDING		\$43,710,494	\$42,825,620	\$37,734,104	\$2,644,359	\$2,189,814	\$129,104,391

Consolidated Budget by Project:

BUDGET BY PROJECT			
Project Number	Project Name	Total Cost	% of Total
1	Renewables Ready Communities Awards	\$117,611,899	91%
2	Brownfield Renewable Energy Pilot Program	\$11,492,492	9%
Total		\$129,104,391	100%

7b. Expenditure of Awarded Funds

EGLE will ensure that funds will be expended in a timely and efficient manner, in accordance with Michigan laws and procedures for expending the State's own funds. The financial management system for EGLE complies with the requirements of 2 CFR 200.302(b). As noted in the application, EGLE has extensive experience administering EPA grants with great success. EGLE will ensure proper grant management through quarterly reporting, tracking expenditures through itemized budget tables. Furthermore, programs at EGLE meet with the EGLE Finance Division monthly to ensure grant

performance measures are being met. The semi-annual reports and final report to the EPA will include a breakdown of expenditures associated with implementation of this proposal.

The subawards to the University of Michigan and the State of Michigan workforce development programs will be in accordance with the [EPA's Subaward Policy](#) and the [EPA's General Term and Condition for Subawards](#).

7c. Reasonableness of cost

The costs outlined in the budget are reasonable and consistent with costs deemed reasonable by the EPA in previous and existing EPA grants to the State of Michigan. The cost effectiveness of the estimated cumulative reduction measures proposed in this grant application further enforces the reasonableness of the proposed costs. For the period 2025 to 2030, EGLE estimates the budget spends \$1.67 per metric ton of CO₂e reduced and for the period 2025-2050, \$0.28 per metric ton of CO₂e reduced.