



CITY COUNCIL
MEETING AGENDA
February 3, 2022

Mark Ammel, Mayor
Karen Moore, Mayor Pro Tem
Ronald J. Beauchamp, Council Member
Tyler DuBord, Council Member
Todd Flath, Council Member

Patrick S. Jordan, City Manager
Phil DeMay, City Clerk

City Council Chambers located at: City Hall – 410 Ludington Street – Room C101 – Escanaba, MI 49829

The Council has adopted a policy to use a Consent Agenda, when appropriate. All items with an asterisk (*) are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event, the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Regular Meeting

Thursday, February 3, 2022, at 7:00 p.m.

CALL TO ORDER

ROLL CALL

INVOCATION/PLEDGE OF ALLEGIANCE

APPROVAL/CORRECTION(S) TO MINUTES – Regular Meeting – January 20, 2022

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION(S)

BRIEF PUBLIC COMMENT(S)

PUBLIC HEARINGS – None

UNFINISHED BUSINESS – None

NEW BUSINESS

1. First Reading of Ordinance No. 1256, An Ordinance to Amend Chapter IX Community Development as Codified Under the Code of Ordinances, and Setting the Date of Thursday, February 17, 2022, for Second Reading, Public Hearing, and Adoption.

Explanation: Administration is requesting City Council to consider this the first reading of Ordinance No. 1256, An Ordinance to Amend Chapter IX Community Development as Codified Under the Code of Ordinances – Section 9-66 – DDA board of trustees voting members. Administration is requesting that the City Council set February 17, 2022, for the second reading, public hearing, and adoption of Ordinance No. 1256.

2. Approval – Notice of Intent Resolution for Water Supply System Bonds – Water Department.

Explanation: Administration is requesting for City Council to pass the attached (Notice of Intent Resolution). This resolution authorizes the publication of a Notice of Intent relating to the City's bonds to be issued through the Michigan Finance Authority's ("MFA") Drinking Water State Revolving Fund Program (DWSRF).

3. Approval – John Deere 60 G Compact Excavator – Water Department.

Explanation: Administration is seeking City Council's approval to purchase a John Deere 60 G Compact Excavator from McCoy Construction Forestry of Escanaba, Michigan at a cost not to exceed \$81,000.00 which will include possible contingencies.

4. Recommendation - Clean Energy Program – Electric Department.

Explanation: The Energy Waste Reduction (EWR) mandate within Public Act 342 sunsetted on December 31, 2021. There is approximately \$355,000 left over from the EWR Program. Administration recommends using \$175,000 to fund the new Clean Energy Program being offered by MPPA for the 2022 calendar year.

APPOINTMENTS

BOARD, COMMISSION, AND COMMITTEE REPORTS

GENERAL PUBLIC COMMENT

ANNOUNCEMENTS

Agenda – February 3, 2022

ADJOURNMENT

Respectfully Submitted

A handwritten signature in black ink, appearing to read "Patrick S. Jordan". The signature is written in a cursive style with a large initial "P".

Patrick S. Jordan
City Manager

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, January 20, 2022**

The meeting was called to order by the Honorable Mayor Mark Ammel at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Mark Ammel, Council Members, Ronald J. Beauchamp, Tyler DuBord, Todd Flath, and Karen Moore

Absent: None

Also Present: City Controller Melissa Becotte, Deputy City Clerk Tammy Weissert, Department Heads, media, and members of the public.

Deputy City Clerk Weissert led Council in the Pledge of Allegiance.

DuBord moved, Flath seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from January 6, 2022, Work Session minutes from January 11, 2022, and Special Joint Meeting minutes from January 11, 2022, as submitted.

ADJUSTMENTS TO THE AGENDA

Moore moved, DuBord seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

PH-1 Public Hearing – Citizen Participation – 2022/23 Fiscal Year Budget Preparation.

Each year, Council holds public hearings to facilitate input from citizens for the upcoming FY2022/23 fiscal year budget. This was the first of five (5) scheduled public hearings.

This being a public hearing, Mayor Ammel asked for public comment.

The Bonifas Arts Center Director, Irina Bruno, briefly reviewed how their funds were used, past year accomplishments, programs, economic success of Artists, and Grant funds successfully awarded. The Bonifas Arts Center respectfully asked for Council support in the next fiscal year budget.

Hearing no further public comment, Mayor Ammel then closed the public hearing.

UNFINISHED BUSINESS – None

NEW BUSINESS

NB-1 Approval – Water Plant Improvements Project – Engineering – DWSRF – Water Department.

Administration requested City Council approval to extend the engineering services of C2AE of Escanaba, MI, to assist the City with regard to phase two of three of the engineering plans for the Water Treatment Plant (WTP) Improvements Project in an amount not to exceed \$60,000.00 for DWSRF Water Plant Division and \$37,000.00 for CDBG Grant Reservoir Division for a total amount not to exceed \$97,000.00.

NB-1 Moore moved, DuBord seconded, to approve to extend the engineering services of C2AE of Escanaba, MI, to assist the City with regard to phase two of three of the engineering plans for the Water Treatment Plant (WTP) Improvements Project in an amount not to exceed \$60,000.00 for DWSRF Water Plant Division and \$37,000.00 for CDBG Grant Reservoir Division for a total amount not to exceed \$97,000.00.

Upon a call of the roll, the vote was as follows:

Ayes: Moore, DuBord, Beauchamp, Flath, Mayor Ammel
Nays: None

MOTION CARRIED.

NB-2 Approval – Lead Service Line Replacement (LSLR) Project – Engineering – DWSRF – Water Department.

Administration requested City Council approval to extend the engineering services of C2AE of Escanaba, MI, to assist the City with regard to phase two of three of the engineering plans for the LSLR Project for the City of Escanaba Water Treatment Plant in the amount of \$131,800.00.

NB-2 Moore moved, DuBord seconded, to approve to extend the engineering services of C2AE of Escanaba, MI, to assist the City with regard to phase two of three of the engineering plans for the LSLR Project for the City of Escanaba Water Treatment Plant in the amount of \$131,800.00.

Upon a call of the roll, the vote was as follows:

Ayes: Moore, DuBord, Beauchamp, Flath, Mayor Ammel
Nays: None

MOTION CARRIED.

NB-3 Approval – Wastewater Treatment Plant – Intent to Apply – Wastewater Department.

Administration requested City Council approval to submit an Intent to Apply for an SRF loan for the City of Escanaba Wastewater Department in the amount of Fifty Million Dollars (\$50 M).

NB-3 DuBord moved, Moore seconded, to approve to submit an Intent to Apply for an SRF loan for the City of Escanaba Wastewater Department in the amount of Fifty Million Dollars (\$50 M).

Upon a call of the roll, the vote was as follows:

Ayes: DuBord, Moore, Beauchamp, Mayor Ammel
Nays: Flath

MOTION CARRIED.

NB-4 Approval – Water Treatment Plant – Intent to Apply – Water Department.

Administration requested City Council approval to submit an Intent to Apply for a DWRF loan for the City of Escanaba Water Department in the amount of Fifty Million Dollars (\$50 M).

NB-4 Moore moved, DuBord seconded, to approve to submit an Intent to Apply for a DWRF loan for the City of Escanaba Water Department in the amount of Fifty Million Dollars (\$50 M).

Upon a call of the roll, the vote was as follows:

Ayes: Moore, DuBord, Beauchamp, Mayor Ammel
Nays: Flath

MOTION CARRIED.

NB-5 Approval – Purchase – Water Meters – Water Department.

Administration requested City Council approval to purchase one thousand (1,000) 5/8” water meters from Mueller Systems in an amount not to exceed \$85,700.00, which includes \$1,000 for contingencies.

NB-5 Beauchamp moved, DuBord seconded, to approve to purchase one thousand (1,000) 5/8” water meters from Mueller Systems in an amount not to exceed \$85,700.00, which includes \$1,000 for contingencies.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, DuBord, Moore, Flath, Mayor Ammel
Nays: None

MOTION CARRIED.

NB-6 Approval – 2021 John Deere 304L Four Wheel Drive Loader – Water Department.

Administration requested City Council approval to purchase a 2021 John Deere 304L Four Wheel Drive Loader from McCoy Construction Forestry of Escanaba, MI, at a cost not to exceed \$96,500.00, including contingencies.

NB-6 Moore moved, DuBord seconded, to approve to purchase a 2021 John Deere 304L Four Wheel Drive Loader from McCoy Construction Forestry of Escanaba, MI, at a cost not to exceed \$96,500.00, including contingencies.

Upon a call of the roll, the vote was as follows:

Ayes: Moore, DuBord, Beauchamp, Flath, Mayor Ammel
Nays: None

MOTION CARRIED.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES

Mayor Ammel, with Council Consensus made the following appointment:

Patrick Connor appointed to the Planning Commission.

(Appointment cancelled, due to no vacant seats on the Planning Commission)

BOARD, COMMISSION, AND COMMITTEE REPORTS

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS

- Ice Rink opens Friday, January 21, 2022.

Hearing no further public comment, DuBord moved, the Council adjourned at 7:56 p.m.

City Council Minutes
January 20, 2022 – cont.

Respectfully submitted

Tammy Weissert, MiPMC/CMC
Deputy City Clerk

Approved: _____
Mark Ammel, Mayor

Agenda Item: NB-1
Date: 02/03/2022

City Council Agenda Item Request

Date: January 25, 2022

Name: Patrick Jordan

Department: Administration

Item: Ordinance amendment removing Mayor as voting member of the DDA

Meeting date requested: February 3, 2022

Explanation for request:

The Board of Trustees of the Escanaba Downtown Development Authority has acted in its advisory capacity to remove the Mayor as a voting member of the Board. A City ordinance amendment is required to accomplish this. The Mayor will continue as City Council Liaison to the DDA .

ORDINANCE NO. 1256

**AN ORDINANCE TO AMEND CHAPTER IX COMMUNITY DEVELOPMENT AS
CODIFIED UNDER THE CODE OF ORDINANCES**

THE CITY OF ESCANABA HEREBY ORDAINS:

CHAPTER I

Chapter 9 of the Escanaba Code of Ordinances is hereby amended by substituting the following language under Article III - Downtown Development, Division 2.- Downtown Authority, Sec. 9-66 to read as follows:

• **Sec. 9-66. - Board of trustees.**

- (a) *Composition; qualifications; terms of vacancies.* The City of Escanaba Downtown Development Authority shall be under the supervision and control of a board consisting of the city manager of the city and seven (7) members appointed by the mayor subject to approval by the city council. At least five (5) of the members shall be persons having an interest in property located in the downtown district. At least one of the members shall be a resident of the downtown district if the downtown district has one hundred (100) or more persons residing within it. A member shall serve for a term of four (4) years. A member shall hold office until the member's successor is appointed. Appointment to fill a vacancy shall be made by the mayor for the unexpired term only. Board members shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.
- (b) *Oath of office.* Before assuming the duties of office, a member shall qualify by asking and subscribing to the constitutional oath of office.
- (c) *Rules of procedure; meetings.* The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the city council. Special meetings may be held when called in the manner provided in the rules of the board and in accordance with applicable state law. Meetings of the board shall be open to the public in compliance with Act No. 267 of the Public Acts of 1976.
- (d) *Removal of members.* Pursuant to notice and an opportunity to be heard, a member of the board may be removed for cause by the city council. Removal of a member is subject to review by the circuit court.
- (e) *Financial records.* All expense items of the authority shall be publicized monthly, and the financial records shall always be open to the public.

CHAPTER II
SAVINGS CLAUSE

If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance.

The City Council hereby declares that it would have passed this Ordinance, section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional.

CHAPTER III
CONFLICTING ORDINANCES REPEALING CLAUSE

All Ordinances or parts of Ordinances in conflict with the provisions of this Ordinance are hereby repealed.

CHAPTER IV
EFFECTIVE DATE

This Ordinance shall be in full force and effect ten (10) days after its passage and publication.

APPROVED:

APPROVED:

City Attorney

Mark Ammel
Mayor

Ordinance No. 1256

Date Approved:

Attest

Date Published:

Phil DeMay
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an ordinance duly adopted by the City Council of the City of Escanaba, County of Delta, Michigan at a Regular Meeting held on the (date) day of (month), 2022 and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on (day), (month) (date), 2022, and said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Phil DeMay
City Clerk



Scott R. Czasak
 Executive Director
 Escanaba Downtown Development Authority
 1025 Ludington Street
 Escanaba, MI 49829

Monday, November 29, 2021

VIA ELECTRONIC MAIL

Escanaba City Council
 410 Ludington Street
 Escanaba, MI 49829

RE: City Representation on the Downtown Development Authority Board of Trustees

Dear Mayor Ammel and Members of the Escanaba City Council,

At your organizational meeting on Monday, November 8, 2021, the issue of the Mayor serving as a voting member of the Escanaba Downtown Development Authority (DDA) Board of Trustees was highlighted and recommended for further discussion at a later date and time. Next, at the regular meeting of the Escanaba DDA Board on Thursday, November 18, 2021, Mayor Ammel requested, and was granted, a discussion on the issue by the DDA Board for a recommendation to the City Council. By a unanimous vote, the DDA Board requests the City Council amend the Escanaba City Ordinance to remove the Mayor as a voting member of the DDA Board and add another appointed member in order to maintain an odd number of voting members. The Board further requests the city appoint a liaison from the council, as it does with other Boards and Commissions in the City.

As you might be aware, the Recodified Increment Financing Act of 2018 (PA 57 of 2018) which is the current Michigan law allowing the creation of Downtown Development Authorities, states "an authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality or his or her designee from the governing body of the municipality and not less than 8 or more than 12 members as determined by the governing body of the municipality."¹

¹ Recodified Increment Financing Act of 2018, MCL 125.4204 (2018 & amd. 2019)
[http://www.legislature.mi.gov/\(S\(0a40o3oqxugg1f5y3h2cacb\)\)/mileg.aspx?page=getObject&objectName=mcl-125-4204](http://www.legislature.mi.gov/(S(0a40o3oqxugg1f5y3h2cacb))/mileg.aspx?page=getObject&objectName=mcl-125-4204), accessed Monday, November 29, 2021.

1025 Ludington Street, Escanaba, MI 49829

www.escanabadda.org

Phone: 906-789-8696

escanabadda@gmail.com

FAX: 906-789-6182

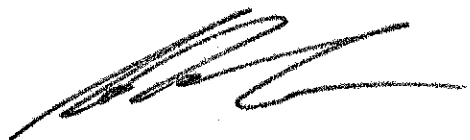
Currently, Escanaba City Ordinance creates a DDA Board of nine members, consisting of: the Mayor, the City Manager, one member representing residents of the DDA zone, and six members representing businesses in the DDA Zone,² and the City Ordinance defines the Mayor as the Chief Executive Officer required under the state law.³ Recently, as part of the process of obtaining Redevelopment Ready Community status, a dialogue has been opened about this unique situation. As the City of Escanaba has a Weak Mayor form of Government with a City Manager it is more appropriate to consider the City Manager the Chief Executive Officer of the City as that position has operational day to day control of the City, not the Mayor, who functions chiefly as the head of the Council. Additionally, the dual membership creates a unique situation where the City has two votes on the DDA Board, a situation unmatched as far as I am aware.

Also, no other board or commission in the City has a member of the City Council as a voting member of the board or commission, and as the DDA has its own separate budget and the City Council has oversight over this budget this allows a Mayor to have two bites at the apple in terms of involvement in the budget, as opposed to being at arm's length in the process. In my experience, the previous Mayor abstained during the budget process for the actual vote but was vocal during the consideration of line items.

For the above discussed reasons, the Escanaba DDA Board unanimously voted on Thursday, November 18, 2021, to recommend the removal of the Mayor as a voting member of the DDA Board and request a council liaison like all other boards and commissions in the City and the placement of another regular member on the Board. They also authorized me to write a letter stating the same to the City Council for its review and consideration. If any questions are raised or if a discussion on this issue would like to be had I place myself at the Council's disposal.

Thank you for your time and consideration in this matter.

Respectfully,



Scott R. Czasak
Executive Director
Escanaba Downtown Development Authority

CC: Patrick Jordan, City Manager
Phil DeMay, City Clerk
Nastoff & Bergman, P.C.
Escanaba DDA Board of Trustees

² Code of Ordinances, City of Escanaba, Michigan, Part II – Code of Ordinances, Chapter 9 – Community Development, Article III – Downtown Development, Division 2. - Downtown Development Authority, Section 9-66 Board of Trustees, (1988)
https://library.municode.com/mi/escanaba/codes/code_of_ordinances?nodeId=PTIIICOOOR_CH9CODE, accessed Monday, November 29, 2021.

³ Code of Ordinances, City of Escanaba, Michigan, Part II – Code of Ordinances, Chapter 9 – Community Development, Article III – Downtown Development, Division 2. - Downtown Development Authority, Section 9-62 Definitions, (1988)
https://library.municode.com/mi/escanaba/codes/code_of_ordinances?nodeId=PTIIICOOOR_CH9CODE, accessed Monday, November 29, 2021.

Agenda Item: NB-2

Date: 02/03/2022

City Council Agenda Item Request

Date: 1/27/2022

Name: Jeff Lampi

Department: Water

Item: NOTICE OF INTENT RESOLUTION for WATER SUPPLY SYSTEM BONDS

Meeting date requested: 2-3-2022

Explanation for request:

Please consider this as a request for City Council to pass the attached (Notice of Intent Resolution). This resolution authorizes the publication of a Notice of Intent relating to the City's bonds to be issued through the Michigan Finance Authority's ("MFA") Drinking Water State Revolving Fund Program (DWSRF).

Information as to how to proceed:

Attached you find three items:

1. A letter from Patrick McGrow dated Jan 24th 2022; of Miller Canfield, explaining the process for securing bonds.

2. A Notice of Intent Resolution for the February 3rd Council meeting prepared by Patrick McGrow, of Miller Canfield.

We will need three (3) certified copies of the Resolution upon adoption by the City Council

3. Exhibit A; Which is a notice to the rate payers.

The Notice of Intent must be published as a display advertisement at least one-quarter (1/4) page in size in a newspaper of general circulation in the City.

We will need three (3) Affidavits of Publication from the newspaper in which the Notice of Intent is published.

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

PATRICK F. MCGOW
TEL (313) 496-7684
FAX (313) 496-8450
E-MAIL mcgow@millercanfield.com

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

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NEW YORK: New York

OHIO: Cincinnati • Cleveland

CANADA: Windsor

CHINA: Shanghai

MEXICO: Monterrey

POLAND: Gdynia

Warsaw • Wrocław

January 24, 2022

Mr. Patrick Jordan
City Manager
City of Escanaba
410 Ludington Street
Escanaba MI 49829-0948

Re: City of Escanaba Water Supply System Revenue Bonds (DWSRF Project)

Dear Pat:

Based on our telephone conference call last week, I have enclosed a Notice of Intent Resolution for consideration by the City Council at its meeting on February 3rd. This is the next step in the financing process that began last year when the City approved and submitted its applications for funding Water Supply System improvements through the Michigan Finance Authority's ("MFA") Drinking Water State Revolving Fund Program ("DWSRF").

This Resolution authorizes the publication of a Notice of Intent relating to the City's bonds to be issued through the DWSRF. The bonds will be sold to the MFA and may be issued in 20 principal installments at the FY 2022 interest rate of 1.875%, or in 30 principal installments at the FY 2022 interest rate of 2.125%.

The enclosed Resolution and Notice indicate the City's intent to issue Water Supply System Revenue Bonds in an amount not to exceed \$10,650,000 to pay part of the cost to acquire, construct, furnish and equip improvements to the Water Supply System of the City (the "System"), including service line replacements and water treatment plant improvements such as improvements to treated water storage, pumping and controls, chemical feed systems, equipment upgrades and replacements and facilities improvements, together with all related appurtenances and attachments (the "Project").

The proceeds of the Bonds may be used to pay for the construction of the Project as well as reimburse the City for the engineering, design and other preliminary costs related to the Project. The Bonds will also be used to pay issuance costs related to the Bonds. The Notice provides that the City will pledge the net revenues of the System as security for the Bonds. In addition, the City has the ability to pledge its limited tax full faith and credit as security for the Bonds or pledge its state revenue sharing, if necessary, in order to satisfy MFA's investment grade credit requirements. The City intends to pay the debt service solely from the user charges of the City's Water Supply

Mr. Patrick Jordan

-2-

January 24, 2022

System. This is a similar process that the City used to finance Water Supply System improvements through the DWSRF in 2002 and 2007, and Waste Water System improvements in 2019.

The “not to exceed” \$10,650,000 amount is based on the amount submitted in the application last year. The actual size of the Bond issue/loan amount will be resized at the time of issuance to the amount that is required based on the actual bids and final costs. In addition, the City is expected to receive grant funds from various sources to offset the cost of the Project and reduce the amount that needs to be borrowed. The City can reduce the amount of the Bonds for the Project from the amount indicated in the notice, but the City would not be able to increase the size of the Bonds for this Project over the amount in the notice without republishing a new notice for the increased amount, which is why this amount has been increased over the current engineering estimate. The EGLE will require the bonds to be sized based on the actual bids and costs after the bids have been received, plus a 6% contingency.

The Revenue Bond Act requires the City to notify the electors of the City of its intent to issue the bonds by publishing a notice which gives the voters a referendum right on the issuance of the bonds. The bonds can be issued without a vote of the City electors unless a petition is filed with the City Clerk within 45 days of publication of the notice signed by at least 10% of the registered electors of the City. The form of Notice of Intent is included in the Resolution as Exhibit A. **The Notice of Intent must be published as a display advertisement at least one-quarter (1/4) page in size in a newspaper of general circulation in the City.**

Paragraph 4 of the Resolution contains language which authorizes the City to reimburse itself from bond proceeds for certain costs relating to the Project incurred prior to issuance of the bonds, including costs for engineering and design. The language of the Resolution is taken from the IRS regulations and, not surprisingly, it therefore reads as tax jargon. This is intended to provide you with flexibility relating to the use of the Bond proceeds if you spend money on Project costs before the bond closing.

If approved by Council and the Notice of Intent is published shortly thereafter, the 45 day referendum period will expire in late March. The City’s Project is currently split into two financings: first, the DWSRF’s 3rd Quarter Financing Pool (Lead Service Line Replacement Project) which requires construction bids to be received by mid-April in anticipation of EGLE approval in May with the loan closing on May 27th and second, the 4th Quarter Financing Pool (Water Treatment Plant Project) which requires construction bids to be received by late June in anticipation of EGLE approval in August with the loan closing on August 29th. The City Council will be asked to approve a bond authorizing ordinance in March to authorize both financings.

We would appreciate receiving three (3) certified copies of the Resolution upon adoption by the City Council as well as three (3) Affidavits of Publication from the newspaper in which the Notice of Intent is published. **Please remind the newspaper that the Notice must be a quarter page ad.**

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Mr. Patrick Jordan

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January 24, 2022

If you have any questions, please do not hesitate to contact me.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: 

Patrick F. McGow

Enclosure

cc: Jeff Lampi
Melissa Becotte
Tom Traciak
Darren Pionk

38627613.1/027017.00030

RESOLUTION 22-01

**NOTICE OF INTENT RESOLUTION
WATER SUPPLY SYSTEM REVENUE BONDS
(DRINKING WATER STATE REVOLVING FUND PROJECT)**

CITY OF ESCANABA
County of Delta, State of Michigan

Minutes of a regular meeting of the City Council of the City of Escanaba, County of Delta, State of Michigan, held on February 3, 2022, at 7:00 p.m., prevailing Eastern Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member: _____
and supported by Member: _____:

WHEREAS, the City of Escanaba, County of Delta, State of Michigan (the “City”), has determined that it is necessary for the public health, safety and welfare of the City to acquire, construct, furnish and equip improvements to the Water Supply System of the City (the “System”), including service line replacements and water treatment plant improvements, such as improvements to treated water storage, pumping and controls, chemical feed systems, equipment upgrades and replacements and facilities improvements, together with all related appurtenances and attachments (the “Project”); and

WHEREAS, the City has been advised by the Michigan Department of Environment, Great Lakes and Energy (“EGLE”) that financial assistance to accomplish the acquisition and construction of all or a portion of the Project is available through the Drinking Water State Revolving Fund (“DWSRF”) loan program administered by EGLE and the Michigan Finance Authority; and

WHEREAS, the City has made application for participation in the DWSRF loan program; and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”), provides a means for financing the purchase, acquisition, construction, improvement, enlargement, extension and repair of public improvements such as the Project through the issuance of revenue bonds; and

WHEREAS, the issuance of bonds payable from revenues of the System under Act 94 in a total amount not to exceed Ten Million Six Hundred Fifty Thousand Dollars (\$10,650,000) (the “Bonds”) for the purpose of financing all or part of the Project, in one or more series, represents the most practical means to that end; and

WHEREAS, a notice of intent to issue revenue bonds must be published before the issuance of the Bonds in order to comply with the requirements of Section 33 of Act 94; and

WHEREAS, the City intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City for the Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is authorized and directed to publish a notice of intent to issue bonds in the *Daily Press*, a newspaper of general circulation in the City.

2. The notice of intent shall be published as a display advertisement not less than one quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.

3. The City Council does hereby determine that the foregoing form of Notice of Intent to Issue Bonds, and the manner of publication directed, is adequate notice to the electors of the City and users of the System, and is the method best calculated to give them notice of the City's intent to issue the Bonds, the purpose of the Bonds, the security for the Bonds, and the right of referendum of the electors with respect thereto, and that the provision of forty-five (45) days within which to file a referendum petition is adequate to insure that the City's electors may exercise their legal rights of referendum, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

(a) As of the date hereof, the City reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of debt to be incurred by the City.

(b) The expenditures described in this paragraph (b) are for the costs of acquiring the Project which were paid or will be paid subsequent to sixty (60) days prior to the date hereof from the Water Supply System funds of the City.

(c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$10,650,000.

(d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the related Project are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this resolution.

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

AYES: Members:_____

NAYS: Members:_____

RESOLUTION DECLARED ADOPTED.

Phil DeMay
City Clerk

I hereby certify that the attached is a true and complete copy of a resolution adopted by the City Council of the City of Escanaba, County of Delta, State of Michigan, at a regular meeting held on the February 3, 2022, and that public notice of the meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by the Act.

Phil DeMay
City Clerk

EXHIBIT A

NOTICE TO TAXPAYERS AND ELECTORS OF THE CITY OF ESCANABA AND TO USERS OF THE CITY'S WATER SUPPLY SYSTEM OF INTENT TO ISSUE REVENUE BONDS AND THE RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City Council of the City of Escanaba, County of Delta, Michigan, intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in one or more series in a total amount not to exceed Ten Million Six Hundred Fifty Thousand Dollars (\$10,650,000), for the purpose of paying all or part of the cost acquire, construct, furnish and equip improvements to the Water Supply System of the City (the "System"), including service line replacements and water treatment plant improvements, such as improvements to treated water storage, pumping and controls, chemical feed systems, equipment upgrades and replacements and facilities improvements, together with all related appurtenances and attachments.

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON THE REVENUE BONDS SHALL BE PAYABLE from the revenues received by the City from the operations of the Water Supply System except as provided below in the case of bonds sold to the Michigan Finance Authority in connection with the State of Michigan's Drinking Water State Revolving Fund program. The revenues will consist of rates and charges billed to the users of the System, a schedule of which is presently on file in the office of the City Clerk. The rates and charges may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the system, to pay the principal of and interest on the bonds and to pay other obligations of the System.

BOND DETAILS

EACH SERIES OF THE REVENUE BONDS will be payable in annual installments not to exceed thirty (30) in number and will bear interest at the rate or rates to be determined at public or private sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on the bonds.

ADDITIONAL SOURCES OF PAYMENTS FOR BONDS SOLD TO MICHIGAN FINANCE AUTHORITY

IN THE EVENT THAT THE REVENUE BONDS ARE SOLD TO THE MICHIGAN FINANCE AUTHORITY, THE CITY MAY PLEDGE FOR THE PAYMENT OF THE BONDS MONEY RECEIVED OR TO BE RECEIVED BY THE CITY DERIVED FROM IMPOSITION OF TAXES BY THE STATE AND RETURNED OR TO BE RETURNED TO THE CITY AS PROVIDED BY LAW, except for money the use of which is prohibited for such purposes by the State Constitution. The City may enter into an agreement providing for the payment of taxes, which taxes are collected by the State and returned to the City as provided by law, to the Michigan Finance Authority or a trustee, and such funds may be pledged for the payment of the revenue bonds.

IN THE EVENT THAT THE REVENUE BONDS ARE SOLD TO THE MICHIGAN FINANCE AUTHORITY, THE CITY MAY PLEDGE ITS LIMITED TAX FULL FAITH AND CREDIT AS SECURITY FOR THE REVENUE BONDS, IN WHICH EVENT DEBT SERVICE ON THE BONDS SHALL BE PAYABLE EITHER FROM REVENUES OF THE SYSTEM OR FROM AD VALOREM TAXES THAT MAY BE LEVIED ON ALL TAXABLE PROPERTY IN THE CITY, SUBJECT HOWEVER, TO CONSTITUTIONAL, STATUTORY AND CHARTER TAX RATE LIMITATIONS.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION will be furnished at the office of the City Clerk upon request.

Phil DeMay
City Clerk, City of Escanaba

38627525.1/027017.00030

City Council Agenda Item Request

Date: 1/25/2022

Name: Jeff Lampi

Department: Water Department

Item: John Deere 60 G Compact Excavator

Meeting date requested: 2/3/2022

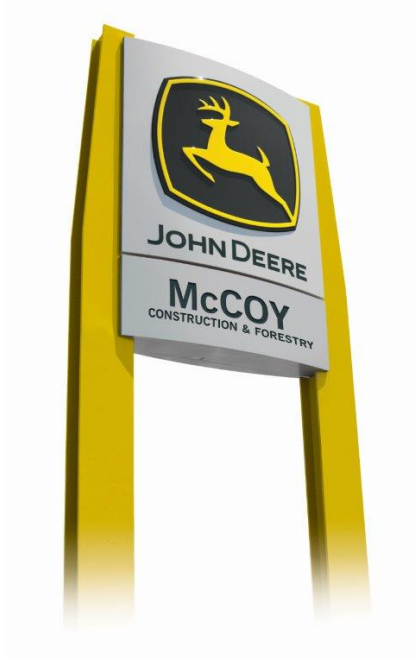
Explanation for request:

Please considerer this as a request for City Council's authorization to purchase a John Deere 60G Compact Excavator from McCoy Construction Forestry of Escanaba, Michigan at a cost not to exceed \$81,000.00 which will include possible contingencies.

**Please note: This item is not currently budgeted, however the monies to purchase this item will come from the Water Fund where ample money has been made available in anticipation for LSL replacement work for a number of years.

Quote Id: 25924883

Prepared For:
CITY OF ESCANABA WATER DEPARTMENT



Prepared By: **SCOTT LIPPENS**

McCoy Construction Forestry
1818 N Lincoln Road
Escanaba, MI 49829

Tel: 906-789-9054

Fax: 906-789-0344

Email: scottlippens@mccoycf.com

Quote Summary

Prepared For:
 CITY OF ESCANABA WATER DEPARTMENT
 121 S 11TH ST
 ESCANABA, MI 49829
 Business: 414-567-9452

Prepared By:
 SCOTT LIPPENS
 McCoy Construction Forestry
 1818 N Lincoln Road
 Escanaba, MI 49829
 Phone: 906-789-9054
 scottlippens@mccoycf.com

Quote Id: 25924883
Created On: 17 January 2022
Last Modified On: 20 January 2022
Expiration Date: 24 January 2022

Equipment Summary	Selling Price	Qty	Extended
JOHN DEERE 60G Compact Excavator	\$ 79,400.00 X	1 =	\$ 79,400.00
Equipment Total			\$ 79,400.00

Quote Summary	
Equipment Total	\$ 79,400.00
SubTotal	\$ 79,400.00
Est. Service Agreement Tax	\$ 0.00
Total	\$ 79,400.00
Down Payment	(0.00)
Rental Applied	(0.00)
Balance Due	\$ 79,400.00

Salesperson : X _____

Accepted By : X _____

Selling Equipment

Quote Id: 25924883

Customer: CITY OF ESCANABA WATER DEPARTMENT

JOHN DEERE 60G Compact Excavator

Hours:

Stock Number:

Code	Description	Qty
0071FF	60G Compact Excavator	1
Standard Options - Per Unit		
3125	Rubber Track 300 mm with 600mm (24 in.) Triple Semi Grouser Shoes	1
7120	Long Arm and Extra Counterweight	1
8185	ROPS / FOPS Cab	1
Dealer Attachments		
BYT10995	36 in. (914 mm) Heavy Duty Bucket; 12.5 Cu. Ft. (0.35 Cu. M) (6 TK Teeth Included)	1
AT452558	Hydraulic Quick Coupler	1
BYT11748	Hydraulic GREY Clamp	1
BYT11478	Hydraulic Quick Disconnect Kit for Selector Valve	1
LEAD TIME	JULY OF 2022 PER ORDER	1
SOURCEWELL DISCOUNT	APPLIED	1
Other Charges		
	Freight	1

Agenda Item: NB-4

Date: 02/03/2022

City Council Agenda Item Request

Date: January 27, 2022

Name: Gerald Pirkola

Department: Electric Department

Item: Recommendation - Clean Energy Program

Meeting date requested: February 3, 2022

Explanation for request:

The Energy Waste Reduction (EWR) mandate within Public Act 342 sunsetted on December 31, 2021. There is approximately \$355,000 left over from the EWR Program. Administration recommends using \$175,000 to fund the new Clean Energy Program being offered by MPPA for the 2022 calendar year.

Clean Energy Program for 2022

Energy Waste Reduction (EWR) Recap

- The EWR mandate ended on December 31, 2021, for municipal utilities.
- The Electric Ordinance was updated to stop collecting EWR funds on December 31, 2021
- Remaining EWR funds amounting to \$355,000 must be used for an energy optimization program or returned to the customers.
- Michigan Public Power Association (MPPA) announced that they plan to start their own Clean Energy Program for those municipalities that desire to continue with an energy optimization program.

Clean Energy Program

- MPPA solicited bids and chose Franklin Energy to implement the 2022 Clean Energy Program.
- The Clean Energy Program will offer similar rebates as our previous program for both residential and commercial customers along with new programs for low-income households and electric vehicle charging stations.
- Administrative costs will be 30% of the total cost of the program compared to 60% for our previous program, so more funds will go toward actual rebates to our customers.

Recommendation:

Administration recommends the City join MPPA's Clean Energy Program administered by Franklin Energy and commit \$175,000 for the 2022 calendar year.

Executive Summary

MPPA has a long and consistent record of helping your Members achieve their energy efficiency goals. Through the Clean Energy Program (CEP) programs you support, the Members can access a variety of cost-effective options to help their residents and businesses manage their energy use. At the same time, the Members retain the flexibility to use the best options for their customers. Franklin Energy has been proud to be part of MPPA's efforts since these programs launched in 2009. From 2018 to 2021, we have worked closely with over 5,000 individual customers and 125 trade allies and delivered over 4,300,000 incentive dollars. As a result, we have built a strong foundation of well-designed and delivered programs that have reliably met goals and are primed for the coming year.

The changing energy efficiency landscape is visible in the addition of new municipality participation in your energy efficiency programs. Energy efficiency continues to gain steam and is growing momentum with no likelihood of slowing down. Franklin Energy is your partner in meeting your communities' energy efficiency needs, present and future, head-on. We have the experience and knowledge to support your new programs. At the corporate level, our Market Strategists are constantly learning, planning, and preparing to support our partner utilities through whatever changes lay ahead. Our local program staff understands the landscape at ground level.

Valuable Benefits for MPPA

By retaining Franklin Energy to implement your CEP programs, MPPA can be confident your energy savings goals will be met, and your Members and their customers will be well served. Our proposed strategies for 2022 are based on our in-depth understanding of MPPA and your Members. Since we started working with MPPA in 2009, we have developed a clear understanding of your structure, programs, goals, Members, and customers. We know what works in this market and what does not. The customer and trade ally relationships we have developed will encourage new projects from past participants.

In addition to our direct experience with MPPA, we enhance our work with insight gained over more than 25 years of experience with utilities, markets, and programs like yours. Our highly qualified local team is supported by our product managers, who have nationally recognized expertise in energy efficiency technologies and program models. Their knowledge will be an asset in adding proven strategies and measures, which will be needed to continue to gain savings and serve customers as MPPA programs and markets evolve.

Our commitment to MPPA is backed by a record of results. We have helped 16 of your Members meet virtually all their energy savings goals across a portfolio of a dozen programs. Since 2018 we have supported 55,698,239 kWh of electric savings.

In addition to the assurance that your energy savings goals will be met, MPPA will realize three significant advantages by retaining Franklin Energy. They are: a seamless transition to the new program

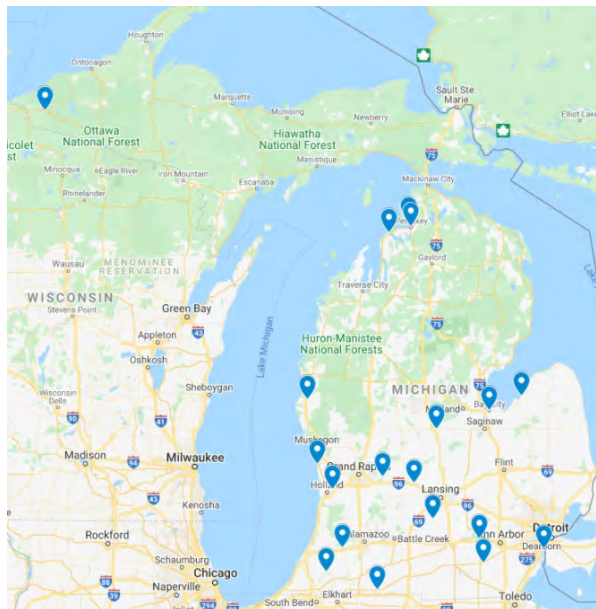


Figure 1 Territories Covered

The reach and influence of MPPA is growing and expanding. Participating members from 17 municipalities have increased to 19 and now reaches as far as western Upper Michigan.

year, comprehensive delivery of your entire portfolio, and the flexibility you and your Members require. The annual kickoff presentation is just one example of these advantages. Additional examples are noted below.

1. Transition to the 2022 program year with no delays, no potential for customer or trade ally confusion, and no risk of lost momentum.

With just two months to launch the 2022 programs, MPPA will benefit from our local experience and the processes we have developed with you. Our personnel, headquartered in our East Lansing office, have good working relationships with MPPA and the Members. They know your programs and trade allies, as well as the Members' markets and customers. Our NGAGE platform (formerly Efficiency Manager), which supports our accurate and detailed forecasting, project management, reporting, application processing, and invoicing, is proven and integrated with your systems. We supply reports and invoices in the formats you require. In addition, we support your direct access to program metrics in NGAGE, which offers you secure visibility into program progress and customizable, easy-to-read dashboards. The strong foundation we have developed with MPPA means we will start the next program years with our homework done and investments made in personnel, training, technology, and processes. On contract award, we will be ready to focus immediately on launching your programs.

2. Comprehensive, coordinated delivery of your CEP services.

Franklin Energy has the experience and the size to implement your whole program portfolio for all your participating Members. Selecting one implementation contractor responsible for all nine pilots and programs offers you many advantages:

- Single point of contact for MPPA and Member staff
- Clear accountability for goal achievement and customer satisfaction
- Coordinated marketing and messaging
- Comprehensive customer service able to handle all program inquiries and scheduling
- Clear information, resources, and procedures for trade allies
- Standard processes and forms for customers
- Application and incentive processing through a single tracking system
- Cost efficiencies in program delivery
- Consistent reporting and invoicing
- Ability to easily adjust production plans and energy savings among programs as needed

3. A flexible partner who understands the demands on municipal utilities and cooperative agencies.

MPPA's structure allows Members a great deal of flexibility. For example, during the contract term, Members can opt-out of your CEP offerings, implement some programs themselves, or reallocate expenditures or savings among programs to respond to market conditions. A valuable benefit we offer is our flexibility to adjust our work within the program framework to the priorities and preferences of each Member. Our efforts to personalize our service to your members include applying correct branding standards, reallocating goals and savings among programs, and meeting reporting requirements. In addition, we have been responsive to MPPA's initiatives and have shown our commitment to continuous improvement and high-quality service. Our agility on behalf of MPPA extends through our local program manager and staff, the potential for flex staffing with other Michigan-based personnel, and a corporate culture that routinely supplies resources when needed to support or consult on special initiatives.

1 Introduction

Franklin Energy delivers the industry's most substantial offering of demand-side management services and solutions to electric and natural gas investor-owned, municipal, and cooperative utilities and statewide organizations across the United States. We serve our clients and their customers in residential, multifamily, small business, commercial, industrial, and agricultural market segments. Our record of performance extends to six key service areas:

- **Grid optimization.** Our expertise in direct load control, home area networks, home energy management, programmable communicating thermostats, and load control switches is built on four decades of experience implementing demand-response programs.
- **Energy efficiency.** Our program and portfolio design, administration, and implementation experience includes energy assessments, direct installation, prescriptive and custom incentive processing, and trade ally management. We manage programs with a comprehensive and customizable technology suite that streamlines processes from field to fulfillment.
- **Education.** We offer measure-based education for K–12 schools, direct-to-customer, and business programs. Our proven design provides the tools to form energy-literate households and businesses while generating immediate verified savings in water and energy use.
- **Energy- and water-saving products and kits.** We manufacture and distribute nearly 400 utility-grade energy efficiency and water conservation products, which are custom-engineered to provide superior performance and maximum savings at an accessible price point. Our products are used by utilities, municipalities, program implementers, contractors, and large corporations throughout North America.
- **Online stores.** Our online stores are designed, developed, marketed, and fulfilled by an in-house team of experts in e-commerce and utility program marketing and logistics.
- **Customer experience.** Our tools seamlessly connect energy efficiency, demand response, and other distributed energy resources through automated participation paths tailored to customers' needs and interests through dynamic portals, online audit tools, energy reports, gamification and rewards programs, online marketplaces, and more.

Through organic growth and acquisition, Franklin Energy has combined energy efficiency, demand response, and other distributed energy resources to become a leader in grid optimization. Franklin Energy brings together the resources of long-standing industry leaders: Franklin Energy Services, GoodCents, Resource Action Programs, Build it Green, PlanetEcosystems, and Cultivate Energy Optimization. With our sister company AM Conservation Group, our structure and scale offers wide capabilities, supports an integrated solution, and allows for significant investment in innovation, greater resources, and deep expertise to meet your needs. Supporting our services are a highly respected executive team and more than 1,200 professional and technical experts with broad industry experience in design, engineering, marketing and outreach, education, customer service, and field services.

Our combined companies share a common purpose: to help all people use our world's precious resources more efficiently. We have seen tremendous change during our decades in business. Through it all, we have remained the vanguard of the industry, anticipating change and evolving with it. By listening closely to both our clients and our employees, we are constantly honing our expertise. That approach makes us the engaged partner our clients need to achieve program goals. We provide a turnkey, worry-free experience for our clients, marked by high customer satisfaction, solution-focused innovations, cost savings, and an increase in acquired savings. Our work has been recognized by professional organizations and is best evidenced by our long-term relationships with clients.

2 Review of Roles & Responsibilities and Understanding of Assignments (Section 2.6)

Franklin Energy has reviewed the general roles and responsibilities outlined in Section 2.6 of the RFP. We will fulfill all roles and responsibilities as outlined. Our local Michigan staff will continue to be a reliable partner to MPPA and the CESC members for the 2022 program year.

Table 2.1 Franklin Energy's Roles and Responsibilities

Role	Responsibilities
Program Manager	<ul style="list-style-type: none"> • Manage the utility relationship serve as an advocate for the client • Provide required reports to the client by the required due date • Coordinate with program evaluators to understand evaluation plans and communicate program procedures • Communicate evaluation plans with program staff to ensure understanding and proper procedures • Manage direct reports and oversee program staff • Manage and maintain the client relationship with MPPA and CESC Members • Manage program budget and goals • Initiate, validate, and approve client invoices • Forecast program savings and budget, ensure the program is meeting forecast • Handle all level 3 customer complaints and escalate to client • Manage program operations and ensure program is operating according to SOW • Conduct safety inspections on staff • Ensure program is maintaining quality standards • Coordinate with other Michigan energy programs when feasible
Project Specialist	<ul style="list-style-type: none"> • Confirm customer eligibility • Prepare NGAGE (formerly Efficiency Manager) projects for field use • Validate project data in NGAGE • Complete projects for invoicing
Marketing Manager	<ul style="list-style-type: none"> • Collaborates with program managers, clients, and utility representatives • Ensures the development of marketing strategies • Deploys tactics that meet the needs of program stakeholders and drive program participation • Maintain each Member's "brand" across collateral and websites
Energy Advisor	<ul style="list-style-type: none"> • Identifying opportunities regarding energy efficiency, and introducing the various programs • Conduct on-site walk through to provide EWR project recommendations • Process project documentation in partnership with trade allies and customers. • Provide savings reports to customers • Build relationships with, and manage, trade allies
Energy Engineer	<ul style="list-style-type: none"> • Provide in-field customer support for large projects • Validate and approve rebate projects • Perform inspections on trade ally-installed projects when needed • Perform light-touch energy assessments, site inspections, and M&V plans

3 Scope of Services (by Task 1-6) (Section 3)

3.1 Task 1 Program Approach

3.1.1 Launch Strategy

Retaining Franklin Energy is the most efficient, most impactful, and most secure option to achieve MPPA's goals for the next program year. No other vendor would start from such an established position of program knowledge and require so few activities to be ready for the program launch.

Franklin Energy will begin the transition to the next program year with many advantages:

- Twelve years of experience with MPPA's programs.
- Existing program operations—including operations manuals, scheduling and routing tools, field data collection tools, tracking and reporting systems, offices, vehicles, and inventory—already configured to MPPA's requirements and data integrated with your systems.
- Management and field staff in place and well-acquainted with the market, stakeholders, and program delivery standards, so we are ready to continue services with no customer disruption.
- Working relationships with MPPA's staff.
- History of collaboration with the participating municipalities.

As a result, Franklin Energy is well-prepared to focus on delivering successful results in 2022 while laying the groundwork needed to operate programs on Day One and to ensure a full year of production. We have already started developing program design solutions as laid out in this proposal. Prior to contract award, we will continue on the momentum that began during our proposal response period. This will add greater depth and detail to our solution and result in a well-evaluated program design and customer journey that will prepare our team for a program kickoff once awarded the work. At this program kickoff, we will come prepared with greater detail, clear recommendations, and decision points for MPPA to consider. This will allow us to effectively run our transition period before the January 1, 2022, program launch.

Program Launch Built on Experience

Franklin Energy has honed our process over years of launching utility programs. In seven years, our Project Management Office successfully launched 75 new programs and opened 24 new offices. This work included residential programs and portfolios for such clients as North Carolina Electric Membership Corporation, Ameren Missouri, and FirstEnergy Pennsylvania.

For additional support as needed to launch the new programs, we can engage our dedicated start-up team. This team is led by a Project Management Office (PMO) project manager. As part of our dedicated start-up team, they are joined by key parties from the Franklin Energy technology, marketing, engineering, and product management departments to provide added dedicated support. They would work in coordination with MPPA to provide clear project plans, timelines, and support in executing our deliverables. Our start-up personnel can be active until transition and start-up priorities are complete and remain available as needed as the new programs are established.

This combination offers MPPA the ideal balance of start-up expertise and experience from our local team of your company and territory. Our PMO team has specialized knowledge and experience in executing complex start-ups across the company. Our local program personnel bring a detailed knowledge of MPPA's requirements and strong relationships with the partners.

3.1.2 Approach to Working with MPPA and the CESC Members

During two decades of energy efficiency program implementation, Franklin Energy has developed a record of collaborating effectively with a variety of stakeholders for the benefit of the program. This

record includes creating working relationships and processes to interact with utility staff, marketing firms, implementation companies, subcontractors, trade allies, and community organizations to drive cross-program promotion and improve the customer journey.

Franklin Energy already has excellent working relationships with MPPA program managers and the CESC Members through our involvement in the EWR programs. If selected for the Clean Energy Program Implementation Services, our focus will continue to be on transparency, teamwork, and accountability. We have the right tools and organization to effectively manage and deliver the program. In close collaboration with MPPA, Franklin Energy will develop clear program objectives, budget and savings goals, forecasts, a detailed delivery plan, and contingency plans. Our management plan creates a collaborative environment to deliver an industry best-in-class program model.

3.1.3 Approach to Reporting

We have an effective process to keep MPPA informed of progress toward operational milestones and performance metrics. The collaborative process we currently use offers you transparency, flexibility, and easy access to the information you need. This process features:

- Monthly reports that include detailed lists of all projects, products installed, customers served, savings achieved, spend achieved, and all progress to the program's goals. This report is sent to MPPA and each municipal.
- An annual report summarizing program savings, budget expenditures, successes, measures installed, marketing results, and opportunity areas for the next year. The annual report is mutually developed with MPPA, using MPPA's template.
- Direct access to our tracking and reporting system, NGAGE (formerly Efficiency Manager), which can allow MPPA to see real-time projects and program progress in our system, including savings and incentive values for projects, on user-friendly dashboards.

We propose working collaboratively to determine appropriate performance metrics to measure the program performs as expected and meets all program goals. Reports are discussed further in [3.6.5 Program Reports](#).

3.1.4 Proposed Coordination Systems

Franklin Energy has a successful record in helping our clients realize the benefits of coordinating services with municipal utilities. Establishing and implementing coordinated programs can be complex. Franklin Energy has strategies for overcoming common challenges, such as:

- **Achieving each municipal's priorities and goals.** Successful joint delivery requires carefully balancing the interests of all participants. To do this, we use much more granular program plans, forecasts, and tracking tools than we would in a single utility program.
- **Developing municipal-level branded marketing materials, forms, and other documentation.** Franklin Energy has overcome this challenge by establishing regular communication between our team and each utility. We work closely and proactively with all parties, using detailed processes to mitigate approval discrepancies and delays.
- **Ensuring proper cost allocations among programs and utilities.** We establish cost allocations up front and then use our NGAGE program tracking and reporting system to make sure costs and savings are divided correctly.

3.1.5 Individual Program Approaches

Franklin Energy's overall approach to the Clean Energy Programs focuses on achieving maximum impact and community awareness by strategically leveraging the budget within and across municipalities and programs. We will do this through creative and effective **marketing**, established cooperative **relationships** between MPPA, the Members, Franklin Energy, trade allies, and program designs offering **accessibility** and easy participation as a business and resident.

Our individual program approaches are described in greater detail in the following sections, and our marketing approach is detailed in [3.3 Task 3 Marketing](#).

3.1.5.1 Residential Lighting

This program provides energy-efficient lighting opportunities such as specialty and LEDs. The program promotes the benefits of energy-efficient lighting via advertising and media events and works with retailers and qualified contractors to promote these products to MPPA's cities and their electric customers. Franklin Energy also provides retail discounts via rebate coupon and provides light kits directly to municipalities to dispense to their customers. We are also introducing direct ship light kits sent directly to residents' homes in this program cycle.

Rebate Coupon Participation Process

Customers will start by downloading the rebate coupon available on their cities MiEnergySmart.com's microsite. They will then make a qualifying purchase, attach the receipt, and submit it to Franklin Energy. We batch these residential projects weekly. We then send the information to each municipal to cut and send the rebate check to their customers in the current process. Alternatively, municipals may select to have Franklin Energy produce and send the checks to customers.

Municipal Kits Participation Process

Franklin Energy places kit orders with our sister company, AMCG, twice each year based on demand and the available budget. Kits contain easy-to-install and easy-to-use products, including LEDs and other items, along with product information and installation instructions. We then distribute these kits to each of the municipalities. Municipal staff will then distribute kits to customers who come into the offices to pay their bills or resolve any other issues. This guarantees that kits are distributed to current customers and produces a positive exchange between the customer and utility.

Residential Kits Participation Process

Residents will be able to log on to their cities MiEnergySmart.com's microsite. From there, they will complete or download a webform. Customers will be asked basic information that will confirm their eligibility as a municipal customer, and they will have the opportunity to self-identify as income qualified. They can then submit the form online or by mail. Kits will come from AMCG and include easy-to-install and easy-to-use products, including LED and other items, along with product information and installation instructions, as with the municipally distributed kits. If customers include their email address, they will receive status updates regarding their kits' expected arrival. The process for customers identified as income qualified will receive slightly different products as detailed in [Section 3.1.5.4 Residential Low Income](#).

Kit Procurement, Production, and Distribution

All kitting for this program will be handled in-house by our sister company AMCG. The kitting process is standardized to ensure that proper costing, production, quality, and on-time delivery are achieved. AMCG has kitting fulfillment teams and distribution warehouses located in Charleston, SC, and Reno, NV.

- AMCG maintains an average of 75-day inventory turns on approximately 375 conservation products. Product procurement is based on a historical demand base plus impact order forecasts.

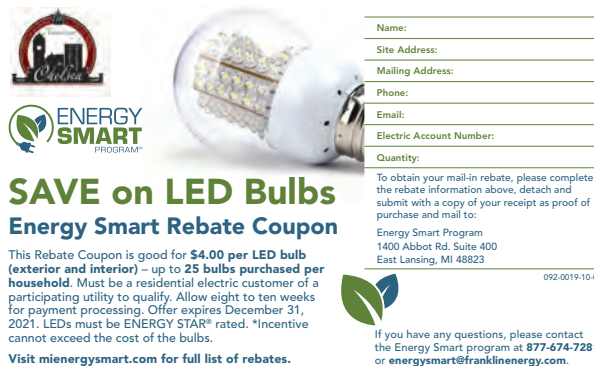


Figure 3.1 Sample LED Rebate Coupon
Rebate Coupons display each municipal's logo and contain qualification information to aid customer in their shopping.

- Throughout the year, the sales department provides forecasts of impact and ongoing kit program shipments. Products for future kit orders are procured on a timely basis and allocated in their ERP system to ensure availability.

Upon receipt of the kit order request form, a kit coordinator will create an order for the kit to include any custom-imprinted product, literature, or packaging. All custom kit orders are entered as individual sales orders, so the demand for the components is captured in their ERP system. The kits are built in-house and, in most situations, shipped immediately after production from either the Charleston, SC or Reno, NV warehouses. With large programs in which shipments occur over longer periods of time, kits will be pre-built on the front end and, based on program requirements and customer forecasting, shipped as needed, thereby eliminating any production scheduling issues.

Kitting coordinators ensure all kit orders meet the quality standards as specified and approved by MPPA. They ensure that specified packaging is used and that the products fit securely to minimize transit damage. They also ensure that any outer package labels and artwork are sized appropriately to match the approved proof. The kitting supervisor ensures kits are built correctly and consistently by frequently spot-checking kits off the production lines. The supervisor also checks that labels are applied properly without wrinkles, kits are packed tightly in master cartons, and items are palletized and stretch wrapped properly to prevent damage during shipment. Warehouse management double-checks all orders staged for shipment to ensure an accurate count and secure palletization before being delivered to customers.

3.1.5.2 Residential High Efficiency Products and HVAC

This program will provide incentives and encourage customers to purchase high-efficiency ENERGY STAR products such as high-efficiency lighting, appliances, heating and cooling (HVAC) equipment, and solar systems. The program works with retailers and qualified contractors to promote these products to MPPA's Members and their electric customers.

Customer Process

Customers will learn of the available rebates through the marketing channels outlined in Section [3.3 Task 3 Marketing](#). They will then review the application information on their cities' MiEnergySmart.com microsite and select a qualifying product. Next, they will purchase and install the product. Customers will complete the application, with the option to call Franklin Energy for support if necessary. Once the application is complete, they will attach the receipt and return it to Franklin Energy.

Trade Ally Process

Franklin Energy markets this program to trade allies across the state. As a result, there is good awareness, and many use it to market discounts to their customers. If customers are not aware of the rebate, trade allies will introduce it to the customer when selecting qualifying equipment. Trade allies will then order and install the equipment. They will then complete the application from the customer's cities MiEnergySmart.com's microsite, attach the invoice, and return it to Franklin Energy. If trade allies have any questions while completing the application, they can call the Franklin Energy phone number listed on the application for assistance.

In the current process, we then send the information to each municipal to cut and send the rebate check. Alternatively, municipals may select to have Franklin Energy produce and send the checks to customers.

Engaging and Maintaining Trade Allies for a Robust Program Network

Our trade ally partners are the backbone of this program offering, and Franklin Energy brings significant expertise in building trade allies relationships to drive customer recruitment and energy savings. We pride ourselves on our alliances with partners who share our core values and demonstrate the same level of professionalism and expertise. For this program, we will leverage existing relationships with trade allies within MPPA's territory, ensuring that we offer your customers ample coverage with skilled professionals to complete their projects.

By working with local trade allies, you can be assured that customers receive the right measures for their situation, and we will be able to manage their performance and work quality more easily for better customer satisfaction. Some of the activities in which we engage to recruit and retain trade allies for MPPA's programs include program events, trade association participation, advisory group meetings, one-on-one partner engagement, and webinars, described in greater detail in [Section 3.2.1 Experience & Plan](#).

3.1.5.3 Residential Appliance Turn In and Recycling

The goal of this program is to produce long-term annual energy savings in the residential sector by removing operable, inefficient refrigerators, freezers from the power grid and recycling them in an environmentally safe manner. Room air-conditioners and dehumidifiers can be collected if a larger appliance is also being collected. We will follow environmentally sustainable appliance recycling practices, and any additional guidance will follow MPPA's on any appliance recycling requirements.



Figure 3.3

TRADE ALLY ENGAGEMENT



Figure 3.2 Our Trade Ally Engagement Process

Programs benefit when we leverage trade allies' skills and relationships to sell, install, and service energy efficiency technologies. We provide trade allies with training, tools, and supportive services that help them succeed and programs meet goals.

Our partner for this program implementation, ARCA, brings to the Franklin Energy team experience gained from more than 250 appliance recycling programs, including specific programs that target single-family, multifamily, and low-income sectors. Each program is customized based on the needs of the utility, customer demographics, and service territory requirements. For MPPA's Residential Appliance Turn in and Recycling program, the Franklin Energy Team recommends that single-family homes with eligible appliances participate. In addition, we seek to perform refrigerator replacements for eligible low-income customers, as described in [Section 3.1.5.4 Residential Low Income](#). The Franklin Energy Team will work with MPPA to determine the best program mix and promotional strategies for your customers and service territory.

ARCA's Implementation Services

- Fast program implementation and launch
- Comprehensive program management and close communication with MPPA personnel
- Call center services for program enrollment and tracking
- A web portal for program enrollments

- Customer and appliance eligibility screening
- Appointment updates
- Complaint and compliment tracking
- Optional customer surveys
- Appliance pickup with immediate disabling of the appliance
- Appliance replacement for Low Income customers
- Decommissioning and RAD-compliant recycling
- Data processing
- Program reporting
- Safety and quality assurance audits

Appliance recycling process

Customers will enter the program funnel through a variety of marketing channels outlined in Section 3.3 Task 3 Marketing. To enroll, customers will be able to provide the necessary information online or via the programs toll free telephone number. They will then select an available pickup date and time and a work order for the project will be created.

Customers will receive a reminder/verification call ahead of the pickup day. If necessary customers will be able to reschedule. The removal staff will arrive during the pickup window, qualify and remove the unit, and finalize the pickup for tracking and incentives. Collected units will then be disassembled and the parts will be recycled and disposed of responsibly.

3.1.5.4 Residential Low Income

Franklin Energy has evaluated how to best utilize the budget allocated for the low-income segment. We analyzed each MPPA member organization and the market potential for low-income participation for each MPPA member organization. Based on our research, we identified low-income households who live in single-family homes have a high potential for energy savings and have been underserved by past program efforts. We propose adding measures to the program as well as a new kit offering to ensure single-family households can benefit from the program.

Our proposed program design leverages the market potential analysis described above to ensure that our offerings align with low-income participants' lives while also ensuring equitable participation across all MPPA member organizations.

We will offer income-qualified customers two tailored opportunities for participation in the Residential Low Income Program.



Figure 3.4 Residential Light Kits
Light kits offer customers an opportunity to reduce their energy usage, save money, and begin leaning about energy efficiency.

1. **Low Income Kits.** The enhanced kit offering for the Residential Low Income program will come from AMCG and include easy-to-install and easy-to-use products, including LEDs, as well as advanced power strips and other items, along with product information and installation instructions. We propose to maintain our current kit distribution to Section 8 multifamily housing. In addition, we propose expanding kit distribution to eligible single-family households.

If MPPA cannot provide the customer data to Franklin Energy indicating their status of income-qualified, we could alternatively design the marketing materials with a code or a Business Reply Card (BRC) and provide it to the municipals for distribution to qualified customers. Franklin Energy offers consultant

services and can work with you to determine the best way for the program to define and target customers most in need of this aspect of the program.

Income-qualified customers can also gain access to the offering of the Residential Low income kit through the path outlined in Section [3.1.5.1 Residential Lighting](#). They can log on to their cities MiEnergySmart.com's microsite. Once on the website, they will be able to complete or download a webform. They will be asked basic information that will confirm their eligibility as a municipal customer, and this is where they will have the opportunity to self-identify as income-qualified. If customers include their email address, they will receive status updates reading their kits' expected arrival. Kitting and distribution will also follow the process described in [3.1.5.1 Residential Lighting](#).

- 2. Appliance Replacement.** In addition to appliance recycling, some income-qualified customers will also be eligible for a new refrigerator. Both transactions will happen in the same appointment. Additional small appliances may also be recycled, including dehumidifiers and AC wall units if a larger appliance is already being collected. As with kits, if MPPA cannot provide the customer data to Franklin Energy indicating their status of income-qualified, we could alternatively design the marketing materials for you to distribute to customers who meet program participation requirements.

Customers will receive a reminder/verification call ahead of the pickup day. If necessary, customers will be able to reschedule. The removal staff will arrive during the pickup window, qualify and remove the unit, deliver the new refrigerator and finalize the pickup for tracking and incentives. Collected units will then be disassembled, and the parts will be recycled and disposed of responsibly.

3.1.5.5 Residential Education / Pilot

Franklin Energy will work with each utility before the beginning of the 2022 program year to discuss the scope of their energy efficiency education services. Together, we will determine the number of educational events and ability to print educational materials based on budget and target goals. We will work with the utility's marketing department to market the events at local community locations, such as the library, community center, or other similar venues. These events will be tailored to educate customers on ways to save energy, which may be outside of Energy Smart program, or how customers can better utilize the program to save energy. Examples of topics may include; changing thermostat by season, checking air filter on furnace, kWh meters available to borrow, and other educational strategies. Additional services, if budget allows, may include seminars/webinars.

Pilot

Franklin Energy will work with each individual utility to review potential projects within the community that do not fall into the scope of the standard Residential Program offerings. These programs are designed to encourage their residents to find new ways to save energy. Franklin Energy then reviews the projects at the end of the year and decides that, if something was successful, to share the results with the other municipalities and potentially add it to the following years' MEMD measures.

3.1.5.6 Commercial and Industrial Prescriptive & Custom Incentives

Together, MPPA and Franklin Energy have successfully delivered a portfolio of commercial and industrial (C&I) programs over the past 12 years. As you embark on the next program year, your programs have a solid foundation, remain relevant in the market, and continue to achieve savings goals. With an ever-changing market, we will continue to face new challenges and new possibilities. Therefore your programs need to work smarter to attract and engage your customers and the trade allies that serve them in driving participation and program success.

Program Description

The C&I Program is available to all commercial, industrial, and other non-residential customers located within the MPPA participating service territories. From retrofitting or replacing old equipment to purchasing new equipment for major renovations or new-build projects, the program promotes the sale and installation of efficient electric equipment across all major end-use categories. It aims to reduce potential participation barriers such as customers' lack of energy efficiency awareness, access to qualified vendors, tools for quantifying savings, and limited funds to make capital improvements. Prescriptive incentives offer a simple, easy-to-use approach for common measures implemented by a broad range of business types, while custom incentives make more complex and site-specific measures and projects possible.

The prescriptive program offers incentives when replacing inefficient equipment with high-efficiency technologies on a one-for-one basis. Most prescriptive and all custom energy-efficiency projects must receive written pre-approval before the project is initiated. Franklin Energy will continue to consistently monitor the market to add or subtract measures for both benefits in savings and cost-effectiveness for the customers. By continuing to review custom projects quarterly, we see trends in businesses and look to the MEMD to offer this newer equipment in the prescriptive program to make future applications easier. Several recent examples are VFD's for HVAC and all process equipment, air compressor accessories such as engineered nozzles, and interior and exterior lighting controls.

Participation Process

Franklin Energy's proposed strategy takes a very broad market view and provides customers with multiple options to conserve energy and reduce demand. We will continue to provide straightforward solutions through customer outreach, technical assistance, and trade ally engagement.

Customer Engagement

Franklin Energy's customer engagement strategy focuses on ensuring all customers receive the assistance they require to make informed decisions for installing cost-effective energy efficiency measures. Based on our experience implementing this and similar programs, we know that program success lies with understanding the markets in which energy efficiency technologies and services are delivered. We do this by addressing the wants and needs of customers, establishing relationships with customers and market partners, and designing and delivering programs that respond accordingly—factoring in the diversity of the customer base. Customers want energy solutions, not programs. Thus, we will deliver seamless solutions to all customers that include promoting energy efficiency opportunities.

Program Delivery Standards

- Ground every touch-point with customers, program allies, and utility staff in Franklin Energy best practices
- Offer customers concierge-level support across the full complement of program services
- Make customer satisfaction a top priority in every interaction and continuous improvement standard practice
- Offer innovative solutions to reach under-served customers and drive comprehensive savings



Figure 3.5 Franklin Energy's Concierge Approach
Our concierge approach will be led by local energy advisors who will serve as the face of the MPPA programs to customers. They are expert in the businesses they support and serve as trusted advisors by offering ongoing, one-on-one guidance.

Much of our outreach will continue to be done at the grassroots level by our local energy advisors, who will serve as liaisons and trusted advisors between customers, trade allies, and MPPA. Using our concierge approach, illustrated in [Figure 3.5](#), energy advisors will recruit, educate, and maintain regular contact with customers. They will provide one-on-one guidance and ongoing support, so all customers receive the assistance they require to make decisions to install cost-effective energy efficiency measures. This support will include helping customers identify opportunities, assisting in the

application and implementation process, providing technical assistance, and coordinating with trade allies on projects to create a cohesive program delivery. They also will recruit and engage trade allies, who will be an essential source of prospective projects. Our energy advisors track and record all key interactions with customers and trade allies in our NGAGE platform.

Technical Assistance

In addition to these customer engagement outreach activities, we will drive project comprehensiveness by offering technical assistance. The lack of in-house technical expertise among commercial customers contributes to a business-as-usual scenario and missed energy savings. To boost energy savings, our team will dig deeper into the C&I market to identify more diverse savings opportunities and help customers overcome barriers that impede implementation. Technical assistance can help modify customer decision-making practices by illustrating energy efficiency and non-energy benefits associated with making capital improvements in their facilities.

Franklin Energy is well-equipped to provide your customers and trade allies with the technical assistance they need to install cost-effective energy efficiency measures and apply for incentives. Their needs and participation barriers—lack of information, capital, time, and technical expertise—vary according to a customer’s characteristics, including their systems, size, and type of facility, and energy efficiency improvements. Whatever the customer size or project complexity, we will provide the personal support needed to move projects from pre-approval to incentive award.

Franklin Energy's energy advisors will accompany facility staff on walk-throughs to identify potential energy-efficiency improvements throughout their facilities for all interested customers. This initial service opens the door to energy efficiency for customers and begins the process of building rapport and long-lasting trust with both Franklin Energy and MPPA.

Field Services

Pivotal to the ongoing and long-term C&I programs' success are trade allies—equipment distributors, energy service companies, installation contractors, design/engineering firms, and others—and the established relationships they have with your customers. As key links between your customers and your programs, trade allies are ideally positioned to influence these interactions, spread program awareness, encourage participation, and have a direct impact on customer satisfaction. They are very often the first and last point of contact with your customers. A well-informed and responsive trade ally builds trust, delivers value, and accurately represents MPPA's programs. Without the right training, support, and partnering, trade allies can negatively impact program participant experience and satisfaction. Maintaining a strong trade ally network creates a system where a positive customer experience can happen. We illustrate our high-level program ally engagement and management process in [Figure 3.6](#).

The current group of trade allies provides a solid foundation to nurture and expand the trade ally network. We will continue to work with our network of trade allies to help them maintain their momentum and keep them engaged as participants. The goal is not to necessarily add more allies to the

network but help existing ones complete more applications that lead to completed projects. To do this, we will provide trade allies the tools and support they need to build their businesses and be successful in your programs, including one-on-one coaching, program materials to help sell projects, regular program communications, as well as training and networking opportunities.



Figure 3.6 Trade Ally Participation Process

Franklin Energy's trade ally participation process provides the training, support, and partnering trade allies need to make a positive impact on program results and customer satisfaction.

Franklin Energy markets this program to trade allies across the state. As a result, there is good awareness, and many use it to market discounts to their customers. If customers are not aware of the rebate, trade allies will introduce it when selecting qualifying equipment. Trade allies will then order and install the equipment. They will then complete the application from the customer's cities MiEnergySmart.com's microsite, attach the invoice, and return it to Franklin Energy. If the trade allies have any questions while completing the application, they can call the Franklin Energy phone number listed for assistance. In the current process, we then send the information to each municipal to cut and send the rebate check. Alternatively, municipals may select to have Franklin Energy produce and send the checks to customers.

3.1.5.7 Commercial and Industrial Education / Pilot

Education

Franklin Energy will work with each utility before the beginning of the 2022 program year to discuss the scope of their energy efficiency education services. Together, we will determine the number of educational events, materials, and ability to print educational materials based on budget and target goals. These will be tailored to educate customers on ways to save energy, which may be outside of the Energy Smart program, and to show how customers can better utilize the program to save energy.

Pilot

Franklin Energy will work with each individual utility to review potential projects within the community or local businesses that do not fall into the scope of the Prescriptive or Custom Programs. These programs are designed to encourage businesses to think outside of the box and explore other avenues to save energy. Franklin Energy then reviews the projects at the end of the year and decides that, if something is successful, to share the results with the other municipalities.

Suggested Pilot Programs

Distributing Energy Efficiency Kits. Energy efficiency kits are a great method to reach more geographically diverse businesses, especially in rural areas. Franklin Energy can utilize energy efficiency product kits customized by business types, (i.e., retail, restaurants, etc.). In our experience, many of these customers are simply too small to reach cost-effectively with methods that work for larger customers. That is especially true for those located outside of major urban areas. As such, we would recommend a targeted offering for small businesses and manufacturers that would complement your existing prescriptive and custom rebates. This offering will reach those customers least likely to take advantage of your nonresidential rebates without additional support. Our solution:

- Is tailored to the needs and energy efficiency opportunities of small businesses.
- Includes several customer contact points to deliver a positive customer experience.
- Offers an option for customers who pay into energy efficiency program funds but have difficulty accessing the benefits.
- Opens the door for additional program referrals.
- Engages and educates targeted customers.

- Increases awareness of your brand and efforts to assist small businesses.
- Provides a scalable design to build flexibility into your program.

We propose offering these customers a way to save energy through introductory kits of energy efficiency measures delivered directly to their facilities. The MPPA-branded kits will contain quality, easy-to-use products applicable to their business type, such as offices or restaurants, that customers can install at their convenience. Customers who express interest by ordering a kit and who operate a business type most likely to have greater potential for more energy-efficiency projects will be targeted for follow-up services.

Serving Controlled Environment Agriculture (CEA). Controlled environment agriculture (e.g., microgreens, cannabis, hemp, greenhouses) is a very energy-intensive and rapidly expanding sector throughout Michigan that presents significant energy savings and demand reduction opportunities from existing and new facilities. These energy savings can be realized by implementing efficient measures unique to this growing industry, such as horticultural lighting, HVAC, dehumidification systems, irrigation, environmental controls, and more.

We can offer proactive engagement, education, and energy advising support tailored to this key market segment by serving as a trusted source of information to your customers and market actors in the following areas:

- Providing information on energy efficiency strategies, industry best practices, and setting baselines for lighting, HVAC, dehumidification, and irrigation.
- Identifying and outlining potential non-energy benefits (NEBs) of energy efficiency in indoor agriculture
- Deciphering which communication channels are most trusted by indoor growers
- Supporting customers through the utility service connection process and supporting MPPA on how CEA facilities are impacting utility distribution systems

Franklin Energy has worked closely with the CEA and the cannabis industry on energy efficiency and sustainability issues. For example, Franklin Energy participates in the DLC's Horticultural Lighting Working Group and Resource Innovation Institute's Utility Working Group to stay at the forefront of this evolving market. We have delivered program models, technical on-site energy assessments, and trade ally development for various stakeholders and have successfully incorporated horticultural measures into various programs we implement for our utility clients throughout Michigan, Illinois, New York, Colorado, and California.

Incorporating Networked Lighting Controls (NLC). Another offering we can provide customers beyond the current scope is NLCs. NLCs are controls that are networked, addressable, and utilize software or intelligent controllers to combine multiple lighting control strategies in a single space. According to the Design Lights Consortium (DLC), utilities report that less than 1 percent of commercial lighting



Figure 3.7 Kits designed for numerous sectors. Several varieties of kits are available with an assortment of energy saving measures to meet the needs of industries including: restaurants, offices, and retail.

projects rebated through their programs incorporate NLC. While lighting comprises 25 to 40 percent of a total commercial building load, approximately 90 percent is still controlled by an on-off switch. This presents a significant opportunity for utilities to achieve additional savings and deliver greater value to their customers. Franklin Energy has solid experience working with DLC and other utilities to promote and implement NLC. We can combine our understanding of available technologies and practices with the opportunities that exist in MPPA territories. We can work with manufacturers and their local representatives to build the local market by promoting this technology and educating customers and local program allies.

3.1.5.8 Streetlight Upgrades

The Streetlight Upgrades program will offer incentives to each participating city to assist with purchasing and installing LED streetlights. Franklin Energy will facilitate the acquisition and installation of low-cost, high-quality LED streetlights. We will manage turnkey streetlight projects, sourcing competitive bids from existing trade allies for both product and labor costs to install.

Program Scoping

We will perform a joint assessment with participating municipalities to determine which streetlights and how many streetlights (lamp heads) will be targeted for replacement by LEDs. Franklin Energy staff will process street light inventory data to develop a list of street lights to be replaced with LEDs and perform the energy savings calculations, other benefits of reliability, safety, and reduced maintenance. Franklin Energy will also support providing a compelling value proposition that will result in a clear call to action, including participating in public town hall presentations.

Franklin Energy will work closely with the municipalities to determine who will conduct the installation. Together, we will review the options to decide if it will be most cost-effective for the cities to perform the labor or if the program should put out a competitive bid to select contractors to complete the work. If a municipality chooses the contractor route, we will work with them to decide what level of involvement they want Franklin Energy to have.

Next, we will select what type of streetlight (lamp head) to be replaced. We will request a product quote from our sister company, AMCG, and additional bids through a competitive bid process. We will determine the winning bid based on selection categories, including product quality and cost-effectiveness.

Project Tracking

Franklin Energy will track and document all project costs and energy savings by municipality. We will report this out to each city and MPPA in our NGAGE tracking system.

3.1.5.9 Electric Vehicle Fleets / Charging Stations

EV and EVSE Rebates

This program provides customers with opportunities to receive rebates for purchasing qualifying electric vehicle supply equipment (EVSE). The program promotes the benefits of level 2 charging and works with retailers and qualified contractors to promote these products to MPPA's cities and their electric customers. Franklin Energy will also assist customers and contractors on their projects from our energy advisor's supporting the program. Customers and contractors will be able to access program information and webforms to participate via residential and commercial/public incentive webforms that will be added to the current MiEnergySmart.com website.

Franklin Energy has not included rebates for the purchase of electric vehicles as these programs tend to increase the number of freeriders on the program. Freeriders are customers who would have purchased an EV with or without a rebate available. By providing incentives for the purchase of level 2 home or business charging, MPPA members will reduce the number of freeriders on the program and lay the foundation for EV charging flexibility in the future.

Customers charging at a level 1 charging rate may require up to 12 hours of consecutive charging to receive an adequate charge for their driving needs each day. By incenting customers to adopt level 2 charging at home MPPA members will be able to reduce the duration required to charge their customer's vehicles, which increases the ability for each customer to shift their charging sessions later into the evening off-peak hours based on future rate signals.

Residential Program Incentives:

- \$250 per residential level 2 charger installed
- Customers must complete and submit the webform found on each municipalities subdirectory on MiEnergySmart.com.
- Funding for a total of \$78,500 for rebates has been made available. However, incentive/rebate funding between the residential and commercial programs may shift due to customer participation and municipal interest.



Figure 3.8 EV Charger Rebates
Encourages electric vehicles in your communities while witnessing less freeridership than what sometimes accompanies EV car rebates.

Public and Commercial Program Incentives:

- \$1,500 per dual-port commercial charger installed
- Customers must complete and submit the webform found on each municipalities subdirectory on MiEnergySmart.com.
- Funding for a total of \$28,500 for rebates has been made available. However, incentive/rebate funding between the residential and commercial programs may shift due to customer participation and municipal interest.

A CESC Member Fleet Assessment

Franklin Energy and our partner West Monroe will work with MPPA to identify a member whose fleet contains many of the types of vehicles operated by other MPPA members. An advanced fleet assessment will then be performed on the representative member's fleet utilizing West Monroe's Total Cost of Ownership (TCO) tool. The findings from the advanced fleet assessment will then be provided to all MPPA members via a web-ex presentation and written report. It will provide insight and detail to the financial and emissions benefits and costs of electrifying the fleet along with the costs of installing adequate charging infrastructure to support the vehicles that have been recommended for electrification. Further, the TCO analysis will identify specific electric vehicles that would be ideal replacements for the current Internal Combustion Engine (ICE) vehicles in operation today. This approach allows MPPA to provide valuable fleet advisory services to *all* Members without the significant added expense of providing assessments for each individual member's fleet.

In the advanced fleet assessment, West Monroe and Franklin Energy will work with MPPA to define the data to be collected. Typically the fleet data requested includes, but is not limited to: vehicles, locations, ranges, duty cycles, and operational hours. Data gathering is critical to ensuring that the right data are input to get an accurate and actionable fleet assessment.

West Monroe will use the data collected on the member facility electricity consumption and cost patterns to understand the load profile implications of adding charging infrastructure to their location and how future charging behaviors, determined by vehicle operations schedules, will impact the representative member's load, rates, and demand charges. These charging profiles will inform analysis to determine the predicted customer bill. It will give our team the ability to make recommendations that

can help lower the member's monthly bills. The analysis will also ensure their ongoing operating costs are optimized from the start by taking advantage of the best overall rate or separate rate and metering for their EV charging needs.

West Monroe has invested in developing a market-leading Total Cost of Ownership tool that is comprehensive in fleet evaluations. This tool—seen as best in class—provides West Monroe with the ability to precisely evaluate TCO for every type and size of the fleet. West Monroe will perform a TCO analysis and provide inputs to the fleet assessment report with the fleet details gained from the member interview and agreed-upon assumptions. Some features of the West Monroe TCO model include using specific utility electric tariffs at each charge time and over time to compute savings on electricity costs. In addition, it can assess diverse EV Drive vs. Dwell Time for fleet use case scenarios. The results of this analysis will help your members compare the TCO, savings or costs for both ICE and EV fleets, maintenance savings, procurement costs, GHG savings, among other outputs.

To perform this advanced analysis, West Monroe will leverage the data collected by Franklin Energy in its analytic framework and TCO tool to develop a comprehensive analysis of the fleet conversion together with an actionable report for discussions with MPPA members.



Figure 3.9 Advanced Fleet Assessment Process Overview

Customer inputs are analyzed in West Monroe's TCO Tool, results are then reported back out to customers with findings and recommendations.