



Public Service Commission of Wisconsin

Summer Strand, Chairperson
Kristy Nieto, Commissioner
Marcus Hawkins, Commissioner

4822 Madison Yards Way
P.O. Box 7854
Madison, WI 53707-7854

October 14 2024

To the Parties:

Re: Energy Efficiency and Conservation Block Grant Funded by 9714-FG-2024
the Infrastructure Investment and Jobs Act in a Department
of Energy Grant

Comments Due:

Tuesday, November 5, 2024 - 1:30 PM

This docket uses the Electronic Records Filing
system (ERF).

Address Comments To:

Public Service Commission

P.O. Box 7854

Madison, WI 53707-7854

The Public Service Commission (Commission) memorandum concerning its consideration of the Rural Energy Startup Program (RESP) design and budget is being provided for public comment. Comments must be received by **1:30 pm CT on Tuesday, November 5, 2024**.

Members of the public may also file comments through the [Commission's website](#). Click on the "File a Comment" button at the bottom of the website home page. On the public comments page, click on the "file a comment" hyperlink associated with this case (or "docket number," 9714-FG-2024).

All comments will be posted to the Commission's Electronic Records Filing System (ERF).

Please direct questions about this docket or requests for additional accommodations for the disabled to the Commission's docket coordinator, Nick Labinski at (608) 267-7854 or nicholas.labinski@wisconsin.gov.

Sincerely,

Joe Fontaine
Administrator
Division of Digital Access, Consumer and Environmental Affairs

JF:NL:kle DL:02032887

Attachment: Commission Memorandum

PUBLIC SERVICE COMMISSION OF WISCONSIN

Memorandum

October 14, 2024

FOR COMMISSION AGENDA

TO: The Commission

FROM: Joe Fontaine, Administrator
Tara Kiley, Deputy Administrator
Joe Pater, Director, Office of Energy Innovation
Olivia Shanahan, State Energy Office Supervisor
Nick Labinski, Stakeholder Engagement Lead
Division of Digital Access, Consumer, and Environmental Affairs

RE: Energy Efficiency and Conservation Block Grant Funded by 9714-FG-2024
the Infrastructure Investment and Jobs Act in a Department of
Energy Grant

Suggested Minute:

The Commission (established/established consistent with its discussion/did not establish) the eligible applicant types for Rural Energy Startup Program (RESP) Round 2.

The Commission (established as proposed by Commission staff/established consistent with its discussion/did not establish) the eligible activities for RESP Round 2.

The Commission (established as proposed by Commission staff/established consistent with its discussion/did not establish) a maximum for grant funding requests for RESP Round 2.

The Commission (established as proposed by Commission staff/established based on its discussion/did not establish) a budget for RESP Round 2.

Background

The Public Service Commission of Wisconsin's (Commission) Office of Energy Innovation (OEI) administers and implements innovative and effective energy planning, policy, and programming to benefit Wisconsin's citizens and businesses, and is Wisconsin's designated State Energy Office (SEO) under Wis. Stat. § 196.025(7). The OEI's work includes administration of multiple federally-funded programs such as the Energy Innovation Grant

Program, which supports subrecipients with a wide variety of energy related projects (including renewable energy, energy storage, energy efficiency, and energy planning). The OEI also administers the State Energy Program (SEP) formula grant which provides funding for core duties of the SEO. ([PSC REF#: 500784.](#))

On November 16, 2021, the U.S. Congress enacted the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL).¹ The IIJA includes significant energy provisions and funding for energy related programming. The IIJA directly allocates funding to states through the SEP formula grant, and opens competitive funding opportunities to states, local governments, utilities, and other eligible applicants as specified. As Wisconsin's statutorily designated SEO, the OEI is the recipient of certain IIJA funds.

IIJA Section 40552, *Energy Efficiency and Conservation Block Grant* (EECBG), delivered formula funding through the U.S. Department of Energy (U.S. DOE) to operationalize financing programs for energy efficiency, renewable energy, zero-emission transportation, and more for local communities that do not meet the population threshold to receive a direct federal EECBG allocation.² The OEI, under the direction of the Delegated Commissioner, submitted the necessary application filings (EECBG Application), for the receipt of the Wisconsin EECBG allocation of \$2,330,720 to support subrecipient EECBG grants. The EECBG Application included federally-required proposed program design details that established Wisconsin's EECBG program to focus supporting development of energy plans in rural units of local government serving Disadvantaged Communities (DACs). The application was approved and Wisconsin's funds received in November 2023.

¹ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (2021), <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>

² See *EECBG Program Formula Grant Application Hub*, U.S. DOE, <https://www.energy.gov/scep/eecbg-program-formula-grant-application-hub>

In its Order of November 29, 2023, the Commission approved the proposed scope of Wisconsin's EECBG program, renamed the Rural Energy Startup Program (RESP). ([PSC REF#: 485930](#)). U.S. DOE established a 180-day requirement to allocate and award at least 60 percent of the funding.³ With this deadline in mind, the OEI established and launched the inaugural round, "Round 1," of the program in late November 2023, with an initial application deadline of January 31, 2024. During this open period, staff sent over 5,000 emails to eligible local governments and made 171 phone calls to rural DACs across the state. Additionally, staff engaged with the Wisconsin Towns Association and the Wisconsin Counties Association, as well as Focus on Energy's Energy Advisors, to inform these groups of the program and encourage them to share the information with their own networks. The OEI hosted a webinar⁴ to cover program basics approximately two weeks into the application phase. As OEI was simultaneously administering an IJIA-funded round of EIGP, it hosted a second webinar titled "Energy Funding for Wisconsin Rural Communities: Choosing the Right OEI Grant Program"⁵ to describe both programs and encourage eligible RESP applicants to consider the tailored program.

With the initial application deadline approaching, staff informed the Delegated Commissioner that total requests were below both the total \$2.3 million allocation of funds and the 60 percent U.S. DOE threshold. The Delegated Commissioner made the decision to extend the application deadline from January 31 to March 29, giving local governments more time to

³ U.S. DOE application instructions provide that: "The state shall provide the subgrants no later than 180 days after the date on which DOE approves the proposed energy efficiency and conservation strategy." See *INFRASTRUCTURE INVESTMENT AND JOBS ACT OF 2021 ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM FORMULA GRANT APPLICATION INSTRUCTIONS*, U.S. DOE, https://www.energy.gov/sites/default/files/2023-01/IJIA%20%2840552%29%20EECBG%20Program_Application%20Instructions.pdf

⁴ See the 2023 Rural Energy Start Up Program Application Instructions webinar: <https://register.gotowebinar.com/recording/2252665565194139222>.

⁵ See Energy Funding for Wisconsin Rural Communities: Choosing the Right OEI Grant Program webinar: <https://register.gotowebinar.com/recording/2005921962357642846>.

apply and for the state to meet the 60 percent requirement. By January 31, twenty applications were submitted. This initial batch of applicants was processed and reviewed by a three-person panel before Commission review. At the Commission's open meeting of March 14, 2024, 16 of the 20 applications submitted by January 31 were awarded \$705,698.02 in funding. The Commission determined that the other four applicants either needed to cure parts of their application or be considered under the extended application period. ([PSC REF#: 495070](#)).

During the extended application period, staff emailed 1,630 local municipalities and 171 DACs, making them aware of the extended deadline and encouraging them to apply. Staff received an additional 11 applications. These 11 applications, along with the four applications cured or reconsidered from the initial opening round were reviewed and sent to the Delegated Commissioner for an awards decision. The Delegated Commissioner awarded all 14 applications it determined eligible for funding, and awarded total funding of \$768,600. (See [PSC REF#: 500920](#)). With these additional awards, the RESP program met the U.S. DOE's 60 percent requirement, awarding a total of \$1,452,098.02.⁶ After this first round of funding, \$878,622 remained. During RESP's Onboarding and the Grant Agreement phases, two awardees declined their awards, bringing the available funding for RESP Round 2 to \$957,572.

The purpose of this memorandum is to provide information on the federal requirements for the RESP and the Commission's options for the RESP Round 2 program design. This memorandum also provides information as reference for the Commission on routine program administration elements that will be tailored to match the Commission's discussion and decisions

⁶ The Town of Russell's initial \$22,200 award is calculated in both Awards Totals because both projects were Activity 3. To simplify the project and allow them to be eligible (applicants can only apply once per Activity), the two applications were combined into one project. However, because the Order for the first period was issued before the second application period closed, their \$22,200 appears in both. They declined the first award and accepted the second. This is why adding the two Awards totals does not equate the number actually awarded.

on program design. The EECBG program's performance period ends on December 31, 2026, and program funds must be expended before that date. As described in further detail in the Program Administration section, Commission staff are prepared to launch Round 2 in winter 2024, to facilitate program awards and establishment of grant agreements in spring and summer 2025 and permit awardees more than a year to complete their projects before the performance period deadline.

Considerations for Program Design

To assist the Commission in defining program designs for 2024 RESP, this section reviews lessons learned from RESP Round 1 and other OEI grant programs, especially the EIGP; the strategic objectives of the RESP program; and other relevant policy drivers.

Lessons from Previous RESP and EIGP Rounds

While the RESP is not a direct analogue to the EIGP, there are similarities between the programs in their structures and goals, and certain lessons learned from past rounds of EIGP can be applied to create a more successful second RESP round. Multiple rounds of EIGP have also been conducted over time, allowing the Commission to consider and implement continuous improvement efforts.

Staff identified two interrelated considerations relevant to considering a RESP Round 2 Scope. First, EIGP's own experience with grant offerings that permit multiple activities has led the Commission to establish a practice of requiring grant applications to be prepared for a single eligible activity. The ability to review single-activity applications has helped streamline administration throughout the process, from application intake to contract negotiations and activity-specific compliance review. Second, the Commission's practice in recent EIGP rounds has been to allow individual applicants to submit multiple applications, limited to one per

eligible activity. This practice has allowed applicants the flexibility to pursue multiple interests in a single grant round and eliminate unintended competition among eligible activities, while maintaining the administrative efficiency of limiting applications to a single activity.

RESP Strategic Objectives

Wisconsin's EECBG application, as approved by U.S. DOE, establishes that its EECBG funding allocation will be used to fund a RESP program designed to support rural communities taking initial steps to reduce energy use, reduce fossil fuel emissions, and improve energy efficiency by investing in the adoption of innovative energy technologies and processes. The application further establishes that RESP will support investments in innovative program and partnership models that expand access to clean energy, efficiency, and preparedness for Wisconsin communities that are otherwise unable to adopt these technologies and for whom these are innovative approaches. This would include applicants who may traditionally face barriers to adopting clean energy solutions and the benefits they provide, or whose communities may be disproportionately impacted by the negative effects of traditional fossil fuel inefficient energy systems.

Policy Drivers

In addition to RESP's program-specific strategic objectives, Commission staff's Round 1 RESP scoping memo noted two broader policy drivers relevant to the program, which continue to be relevant in identifying equity and inclusion as key considerations relevant to program design.

First, in April 2022, Wisconsin released the State of Wisconsin Clean Energy Plan (CEP)⁷ as a policy pathway to achieving Wisconsin's goal of 100 percent carbon-free electricity

⁷ *Clean Energy Plan*, Wisconsin Office of Sustainability & Clean Energy, <https://osce.wi.gov/pages/cleanenergyplan.aspx>.

consumption by 2050.⁸ The CEP provides four key strategies: Accelerate clean energy technology deployment; Maximize energy efficiency; Modernize buildings and industry; and Innovate transportation. The CEP further discusses prioritizing health equity, environmental justice, and equitable economic development.

Second, EECBG is a Justice40-covered program⁹ and as such contributes to the goal that 40 percent of the overall benefits of certain federal investments in clean energy and climate solutions flow to DACs. As such, Commission staff intends to continue providing and tracking measurable direct or indirect investments or positive project outcomes that achieve or contribute to the following in DACs: (1) a decrease in energy burden; (2) a decrease in environmental exposure and burdens; (3) an increase in access to low-cost capital; (4) an increase in job creation, the clean energy job pipeline, and job training for individuals; (5) increases in clean energy enterprise creation and contracting (e.g., minority-owned or disadvantaged business enterprises); (6) increases in energy democracy, including community ownership; (7) increased parity in clean energy technology access and adoption; and (8) an increase in energy resilience.

In consideration of these and other equity and inclusion considerations, Commission staff provides examples of eligible applicant and activity types in the next sections of this memorandum. The Commission may consider its determinations of eligible applicant and activity types in the context of meeting RESP's strategic objectives and accounting for broader policy drivers.

⁸ See Executive Order # 38, Office of the Governor, https://docs.legis.wisconsin.gov/code/executive_orders/2019_tony_evers/2019-38.pdf.

⁹ U.S. Department of Energy Justice40 Initiative: [Justice40 Initiative | Department of Energy](#).

Commission Alternatives on RESP

To establish the scope of RESP Round 2 requires a Commission decision on the following program elements: eligible applicants, eligible activities, maximum allowable grant requests, and program budgets.

Eligible RESP Applicant Types

EECBG Application

Federal EECBG requirements dictate that the allocation to Wisconsin shall use not less than 60 percent of the amount received to provide subgrants to units of local government in the state that are not eligible for direct EECBG formula grants of their own.¹⁰ Wisconsin's approved EECBG application exceeded that requirement by allocating 100 percent of funds toward subrecipients under the RESP. Additionally, the EECBG Application suggested that in order to maximize benefits to DACs, in alignment with the Wisconsin CEP and Justice40 policy drivers, eligible units of local government (city, village, town, county) must qualify as rural, as defined below, and is expected to also be located within a DAC or have a DAC located within the planned project area.

Rural Community Definitions

Commission staff notes that different agencies and organizations use different population thresholds for defining municipalities as rural, with a majority relying on U.S. Census Bureau data.¹¹ For reference, Wisconsin municipality populations range from 40 (Wilkinson) to 577,222 (Milwaukee).

¹⁰ 42 U.S.C. 17155(c)(1)

¹¹ The 2010 U.S. Census reported Wisconsin to have 190 cities, 1,257 towns, and 404 villages, with an average population of 3,404 across all municipality types. County populations range from 4,255 (Menominee) to 939,489 (Milwaukee), with an average population of 79,719.

Rural Municipality. For its Rural Energy for America Program, the U.S. Department of Agriculture (USDA) uses census data to identify rural as “any area of a State not in a city or town that has a population of more than 50,000 inhabitants, not in the urbanized area contiguous and adjacent to a city or town that has a population of more than 50,000 inhabitants, and excluding certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I).” These USDA definitions have also been used as the basis for defining eligibility for Focus on Energy’s rural bonus incentives. ([PSC REF#: 442095](#)).

Rural County. The U.S Census does not classify counties as rural or urban specifically, but the U.S. Office of Management and Budget (OMB) uses census data to establish a range of rural and urban classifications known as Rural-Urban Continuum (RUC) codes.¹² Using this definition, there are 46 Wisconsin counties (64 percent) considered to be rural.¹³

Defining Disadvantaged Community (DAC) under the Justice40 Initiative. To ensure an equitable distribution of grant funds, outcomes, and benefits, applicants will be required to demonstrate how their projects meet the objectives and metrics of the program as they pertain to Disadvantaged Community Benefits. Applicants may use the Climate and Economic Justice Screening Tool (CEJST)¹⁴ map to identify the extent to which grant benefits fall within a disadvantaged community. CEJST uses datasets to identify disadvantaged communities by census tract.

¹² These nine RUC classifications where each code is delineated by population and/or proximity to a major metropolitan area. Rural counties are considered nonmetropolitan with an RUC of four to nine, with four being “Nonmetropolitan – Urban population of 20,000 or more, adjacent to a metro area” and nine being “Nonmetropolitan – Completely rural or less than 2,500 urban population, not adjacent to a metro area.”

¹³ See Economic Research Service-County Level Data Sets, *U.S.D.A.*,

<https://data.ers.usda.gov/reports.aspx?ID=17827>

¹⁴ Climate & Economic Justice Screening Tool: <https://screeningtool.geoplatform.gov/en/>

Round 1 Applicant Eligibility

The Commission established for the first round of RESP eligible applicants would include cities, villages, towns, and counties that have not received direct allocations of federal formula funding under the IIJA EECBG Program that qualify as rural, with priority given to those located within a DAC or have a DAC located within the planned project area. Applicants could demonstrate their rural eligibility using any of the definitions listed above. To support applicants, OEI staff incorporated the rural definitions into a map for applicants to establish their eligibility.¹⁵ As discussed above, 31 total applications were submitted from 30 eligible applicants (one applicant submitted two applications), of which 29 were awarded. Of the 59 census tracts listed by applicants in their projects, totaled 17 were located in a DAC (28.8 percent); however, 14 of the 29 awarded projects had at least one census tract that is a DAC (48.2 percent).¹⁶

Round 2 Applicant Eligibility Commission Alternatives

Alternative One would adopt the eligibility requirements from Round 1, establishing the eligible applicant types to include cities, villages, towns, and counties that have not received direct allocations of federal formula funding under IIJA EECBG that qualify as rural, as defined by the Commission, with priority given to those also located within a DAC or have a DAC located within the planned project area. This alternative would keep program eligibility the same as the first round of RESP, where staff engaged in extensive outreach to meet the 60 percent threshold and maintaining eligibility consistency between rounds. Additionally, 48 percent of Round 1 projects included at least one DAC census tract. The Commission may consider this an

¹⁵ OEI's mapping tool: [OEI Map \(wi.gov\)](https://oei.wi.gov).

¹⁶ The disparity is explained by a countywide project. For this project, one of 13 census tracts were DACs. When totaling all census tracts, the 12 non-DAC census tracts greatly weighted the percentage. Most projects were local government projects of one or two census tracts either being a DAC or not.

inclusive alternative to ensure the largest number of potential projects are considered, while also engaging rural DACs to both support the Justice40 initiative and to ensure these communities are supported in clean energy and energy efficiency projects.

Under Alternative Two, the Commission may consider the option to limit eligibility solely to rural DACs. This alternative would exclude from eligibility the rural non-DAC communities that were also eligible for RESP Round 1. The Commission may consider whether this option is in alignment with a strategic objective to ensure benefits of clean energy efficiency, and preparedness reach rural DACs across the state and is in alignment with the Justice40 initiative by requiring all funds be directed specifically towards rural DACs. The Commission may also wish to consider whether this option may limit participation in RESP Round 2, given that rural DACs accounted for slightly less than half of awarded funds in Round 1.

Alternative Three would be to modify the eligible applicant types for the RESP to some other selection, subject to further review and approval by the U.S. DOE.

Commission Alternatives – RESP Eligible Applicant Types

Alternative One: Establish the Eligible Applicant Types consistent with RESP Round 1 to local governments that have not received direct allocations of EECBG federal formula funding that qualify as rural, with priority given to those also located within a DAC or have a DAC located within the planned project area.

Alternative Two: Establish the Eligible Applicant Types as local governments that qualify as rural, and are located within a DAC or have a DAC located within the planned project area.

Alternative Three: Establish the Eligible Applicant Types consistent with its discussion, subject to further review and approval by the U.S. DOE.

Alternative Four: Do not establish Eligible Applicant Types and remand the matter back to staff.

Eligible Activity Types and Maximum Allowable Requests

RESP Round 1 established three eligible activities, outlined below. The definitions of these activities are informed by EECBG Blueprints¹⁷ provided by U.S. DOE, which were established in Wisconsin's U.S. DOE-approved application as the basis for eligible RESP activities. These blueprints are designed to help applicants who may not have much experience with Federal grants or energy projects follow a structured program guide, reducing barriers and assisting applicants in achieving impactful results with available funds.

The three Commission-approved activities as defined in Round 1 are: Comprehensive Energy Planning (Activity 1),¹⁸ Renewable Resource Planning (Activity 2),¹⁹ and Energy Audits and Building Upgrades (Activity 3).²⁰

Eligible Activity 1: Comprehensive Energy Planning. This activity funded technical consultant services to assist the eligible applicant in the development of Comprehensive Energy Planning to include the following: evaluation of current energy use and sources, determination of the entity's potential for generating energy locally, and creation of goals for energy savings and generation. Efforts would include community-wide and stakeholder engagement and formal plan adoption.

¹⁷ See EECBG Blueprints, the U.S. DOE: <https://www.energy.gov/scep/energy-efficiency-and-conservation-block-grant-program-blueprints>

¹⁸ RESP Activity 1 is attached to Blueprint #1: [Blueprint 1: Energy Planning | Department of Energy](#)

¹⁹ RESP Activity 2 is attached to Blueprint #3D: [Blueprint 3D: Renewable Resource Planning for Rural and Tribal Communities | Department of Energy](#)

²⁰ RESP Activity 3 is attached to Blueprint #2A: [Blueprint 2A: Energy Efficiency: Energy Audits, Building Upgrades | Department of Energy](#)

Eligible Activity 2: Renewable Resource Planning. This activity funded technical consultant services to assist the eligible applicant in the development of Renewable Resource Planning to include the following: assessing renewable resource potential with a focus on the greatest value and job opportunities for the area, setting a collective vision with stakeholders for optimal renewable energy deployment, and creating an action plan for formal adoption and implementation.

Eligible Activity 3: Energy Audits and Building Upgrades. This activity funded technical consultant services to assist the eligible applicant to identify potential energy saving opportunities in buildings and provide the technical and financial information (such as upfront costs, ongoing costs, projected energy savings, return on investment) that the community would need to evaluate and approve energy efficiency, electrification, and grid interactive retrofits. This activity also permitted using the results of an energy audit to allow for retrofitting existing buildings, presenting an opportunity to improve the energy performance and operational costs of building assets including heating, cooling and ventilation (HVAC) systems and equipment, lighting and control systems, and the building envelope, while improving occupant control (such as with grid-interactive technologies).

The Commission awarded 29 projects in Round 1 of RESP. Of those 29 projects, 23 were for Energy Audits and Building Upgrades; awardees primarily used RESP funding as an opportunity to implement energy efficiency upgrades, such as LED lighting and high-efficiency HVAC systems. Four awards were provided for Energy Planning, and two for Renewable Resource Planning.

In RESP Round 1, the maximum request amount for each of the three activities was \$75,000. Applicants were not required to provide matching funds, but some projects did,

frequently reflecting that the total cost of their projects exceeded the maximum request. Total project costs ranged from \$3,950.00 to \$753,400.00, including matching funds. Table 1 has a more detailed breakdown of the Total Project Costs for each activity.

Table 1: Total RESP Total Project Cost

Total Project Cost	Energy Planning (Activity 1)	Renewable Resource Planning (Activity 2)	Energy Audits and Building Upgrades (Activity 3)
>\$100,000	1	0	3
\$90,000-\$99,999	0	0	0
\$80,000-\$89,999	2	1	1
\$70,000-\$79,999	1	0	5
\$60,000-\$69,999	0	0	1
\$50,000-\$59,999	0	0	1
\$40,000-\$49,999	0	1	1
\$30,000-\$39,999	0	0	2
\$20,000-\$29,999	0	0	4
\$10,000-\$19,999	0	0	3
<\$10,000	0	0	2
Total	4	2	23

For the entire program, the average cost of an awarded project was \$96,591.82, with an average grant award amount of \$47,486.14 and the remainder provided through matching funds. Table 2 shows averages by activity type. Of the six planning projects within Activities 1 and 2, four had total costs exceeding \$75,000 due to the inclusion as match of in-kind contributions for staff wages collaborating on these planning projects. Activity 3 had the widest variance, with

two projects totaling below \$10,000 in total project costs and two projects being over \$700,000 in total project costs, creating the lower Grant Award and higher Total Project Cost averages.

Table 2: Average RESP Grant Award and Total Project Cost

Activity Type	Average Grant Award	Average Total Project Cost
Activity 1	\$73,200.00	\$86,600.00
Activity 2	\$60,000.00	\$63,750.00
Activity 3	\$45,186.87	\$104,433.16

Commission Alternatives

While participation varied between activity type in Round 1, successful applications were submitted under all three eligible activities. For that reason, Commission staff propose to maintain the same Round 1 eligible activities as the eligible activities for Round 2. Consistent with previous Commission decisions and lessons learned from past RESP and EIGP rounds, Commission staff would also propose continuing to allow applicants to submit one separate application per eligible activity. This approach is expected to enable the fastest delivery of funding to eligible projects and meet the needs of prospective applicants to engage in multiple eligible activities.

On the other hand, Commission staff have used the cost information collected through Round 1 to identify revised Round 2 maximum grant requests for Commission consideration. While Round 1 established maximum grant requests of \$75,000 for each of the three activities, the variation in project costs between activities suggests the Commission may wish to consider establishing different maximum grant requests for different activities.

Experience with RESP grant awards in Round 1 can inform a Commission determination of maximum grant awards for Round 2. Commission staff propose for consideration maintaining

a maximum grant request of \$75,000 per applicant for Activity 1: Energy Planning and Activity 2: Renewable Resource Planning, while increasing the maximum grant request to \$125,000 for Activity 3: Energy Audits and Building Upgrades. As noted above, some planning projects in Round 1 had total costs exceeded the maximum grant request, but only as a result of in-kind contributions for staff support. On the other hand, several Activity 3 upgrade projects neared or exceeded the \$75,000 threshold. A \$125,000 threshold would have covered project costs for all but two first round building audit and upgrade applicants and could provide applicants with the opportunity to propose more broadly scoped projects.

Table 1 summarizes Commission staff's proposed activities and maximum grant requests. Under Alternative 1 below, the Commission may consider implementing Commission staff's proposal, including the modification from Round 1 to increase the Activity 3 maximum grant request to \$125,000. Under Alternative 2, the Commission may consider an alternative combination of activities and maximum grant requests. Modifying the eligible activities would likely require Wisconsin to amend its EECBG application with U.S. DOE before proceeding with Round 2. Application amendments would not be necessary to set different maximum grant amounts, and the Commission may consider whether other maximum grant request levels are best aligned with RESP's goals and objectives.

Table 1. RESP Eligible Activities Summary Table

Eligible Activity	Maximum Grant Request
1. Comprehensive Energy Planning	\$75,000
2. Renewable Resource Planning	\$75,000
3. Energy Audits and Building Upgrades	\$125,000

Commission Alternatives – RESP Eligible Activity Types and Maximum Grant Requests

Alternative One: Establish the RESP Round 2 Eligible Activity Types and Maximum Grant Requests as listed in Table 1.

Alternative Two: Establish the RESP Round 2 Eligible Activity Types and Maximum Grant Requests consistent with its discussion.

Alternative Three: Do not establish Eligible Activity Types and Maximum Grant Requests and remand the matter back to staff.

Overall Budget

Commission staff proposes a total budget of \$957,571.98 for RESP Round 2 in accordance with the total remaining EECBG funds. Making the full budget available could best position the program to spend available funding before the program performance period ends in December 2026. Staff propose not to designate specific budgets by activity, consistent with the approach in Round 1 to make funding available in the most flexible manner possible and allow eligible applicants to apply for multiple projects in areas of need.

Alternatively, the Commission may wish to select a different option that allocates a portion of the available EECBG funding to the subrecipient grant program RESP and redirects or designates certain amounts of the subrecipient grant program budget for certain categories such as eligible applicants or eligible activities, subject to the U.S. DOE review and approval.

Table 2. Proposed Overall Budget for RESP

Activity	Total Available Funds
1. Comprehensive Energy Planning	\$957,571.98
2. Renewable Resource Planning	
3. Energy Audits and Building Upgrades	
Total	

Commission Alternatives – EECBG Budget

Alternative One: Establish a budget of \$957,571.98 for the RESP as provided in Table 2.

Alternative Two: Establish a budget for the RESP consistent with its discussion.

Alternative Three: Do not establish a budget for the RESP and remand the matter back to staff.

Program Administration Information

This informational section addresses all of the other routine elements of program design for Commission reference. These items will be further defined by the Commission's discussion and decisions on the preceding program design elements and routine program administrative practices and available resources, and in collaboration with the Delegated Commissioner.

Application Review and Merit Scoring Criteria

In RESP Round 1, requested funds were less than the available budget. As a result, Commission staff limited their application review to assessing program eligibility. Should requests in Round 2 exceed the available budget, then a merit scoring review will be implemented.

The merit scoring review criteria will be based on these core factors and further refined to apply uniquely to each eligible activity category. Projects will be scored among the like projects in its respective category. Per the Commission Order establishing Round 1, the merit review criteria in Round 1 were designed to give priority scoring to projects impacting DACs. Depending on the Commission decisions and discussion around priority applicants in the RESP Eligible Applicant Types alternatives above, Commission staff will work with the Delegated Commissioner to develop weighted scoring.

Merit review scoring criteria may include, but is not limited to the following:

- Eligibility screening and ability to achieve the objectives
- Budget justification

- New or existing plans and opportunities (application demonstrates level of prior planning completed or demonstrates the need for a new plan)
- Ability and preparedness to achieve objectives (application affirms the use of a blueprint, how the applicant's/connected contractor's experience will assist them to achieve the objectives)
- Equity and energy justice (benefits of awards in total aim to meet Justice40 expectations)
- Cost savings and payback, economic impacts (job creation, economic development, compliance with Federal provisions related to wage rates and domestic production)
- Energy savings and environmental impact

The Commission will not be bound by the recommendations of the review panel when making awards, as the scoring of a particular project will be one of several considerations that the Commission may consider.

Table 3. Tentative Timeline

November 2024	Commission consideration of RESP Round 2 scope, including public comment
December 2024	Applications available
March 2025	Applications due (Close application period)
Spring 2025	Application review
Spring 2025	Commission consideration of RESP Round 2 awards
Summer through Fall 2025*	Contract negotiations, Grant Agreements signed by awardees
Date of Countersignature through typical end dates at Calendar or Fiscal Year ends*	Project performance period
90 days after Project Performance Period Ends*	Final reports and requests for reimbursement due

*Timing of these steps will depend on the program and levels of Federal review.

Opening Grant Rounds

To facilitate implementation of these programs Commission staff will work with the Delegated Commissioner to develop and issue the Application Instructions. To collect the necessary information required for application merit review, the application must include all required information, data and submissions as instructed in the forthcoming application instructions.

Eligible Costs

To support project implementation within the limits of Federal code, eligible costs may include labor (salary/fringe), travel, supplies, equipment, other, contractual, and indirect. These costs are subject to limitations, upfront documentation, and reporting requirements associated with the Federal provisions (such as historic preservation, wage rates, environmental review, domestic production).

Performance Period

Performance periods for grant awarded projects will be detailed in the Grant Agreements. While grant recipients may have various performance period start dates, subject to Federal review and other factors, beginning in 2025, all will be subject to the same quarterly performance reporting requirements by program throughout the performance period. Extensions may be considered and early project completion and requests for reimbursements may be allowed.

Reporting Requirements

To ensure that grant recipients are compliant with grant agreement terms and conditions and are on track for success, the Commission will continue to require routine performance reporting that addresses the following: all scope deliverables, objectives, and metrics identified

through contract negotiations, compliance with federal flow-down provisions, grant expenditures, and percent of project completion.

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