

**PUBLIC SERVICE COMMISSION OF WISCONSIN**

Energy Efficiency and Conservation Block Grant Funded by the  
Infrastructure Investment and Jobs Act in a Department of Energy Grant

9714-FG-2023

**ORDER**

This is the second Order approving grants for the 2023 Rural Energy Startup Program (RESP). The first Order was issued on March 29, 2024, and awarded \$705,698.02 and established direction on processing applications filed during the extended application period. ([PSC REF#: 495070.](#)) This Order awards \$768,600 to selected applications filed during the extended application period.

**Introduction**

**Background**

The RESP is a grant program administered by the Commission's Office of Energy Innovation (OEI). The RESP furthers the mission of the OEI through a broad tailored program scope for rural Wisconsin communities covering a variety of energy planning and building upgrade related projects. RESP is funded by the 2021 Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), under IIJA section 40552, *Energy Efficiency and Conservation Block Grant* (EECBG), which provided an allocation to the State of Wisconsin of \$2,330,720. In its Order issued on November 29, 2023, the Commission established the program design of the RESP, establishing elements including (1) eligible applicant types; (2) eligible activity categories; and (3) maximum grant requests for such activities. ([PSC REF#: 485930.](#))

On November 30, 2023, the RESP launched with the issuance of Application Instructions specifying an application deadline of January 31, 2024, at 1:30 PM Central, and providing

instructions consistent with the Commission’s scoping order. ([PSC REF#: 486067.](#)) To support awareness among eligible applicants, the OEI held an informational webinar on December 14, 2023, made webinar materials and other resources available on the Commission website, and provided additional outreach with over 5,000 emails and phone calls to all 171 rural disadvantaged communities (DACs).

The timeline for this program is expedited. According to the EECBG instructions from the U.S. Department of Energy (DOE), “states shall provide the subgrants no later than 180 days after the date on which U.S. DOE approves the proposed energy efficiency and conservation strategy.”<sup>1</sup> The DOE has provided clarification<sup>2</sup> that states “are required to subgrant not less than 60 percent of the amount provided to the State.” For Wisconsin, the 60 percent requirement totals \$1,398,432 of the \$2,330,720 allocation be provided as subgrants as of this date. This timeline establishes a May 11 deadline for the Commission to make its awards decisions, though grant agreements need not be executed on that day.

As the initial application due date of January 31, 2024, approached, the number of pending or submitted applications presented in the PSC Grants System indicated that the sum of requests would not likely make use of the full program budget. At the direction of the Delegated Commissioner, the deadline was extended to March 29, 2024, at 1:30 PM Central to provide communities with more time to apply, understanding the short timeline and the fact that many applicants are likely first-time grant applicants as potential barriers to their participation. On January 30, 2024, updated Rural Energy Startup Program Application Instructions were posted specifying a new application deadline of March 29, 2024, at 1:30 PM Central.

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<sup>1</sup> See the [EECBG Formula Grant Application Instructions \(energy.gov\)](#).

<sup>2</sup> See page 33 of the [EECBG Eligible Activities and Program Guidance \(energy.gov\)](#).

[\(PSC REF#: 489992.\)](#) In the additional two months, OEI staff sent over 3,600 emails to rural municipalities and rural DACs about the program extension and available funding.

To demonstrate progress toward the 60 percent goal, all applications submitted by January 31, 2024, were reviewed by OEI staff, who prepared a memorandum providing information and analysis regarding eligibility and awards for applications submitted in the initial batch of applications, and requesting direction on the processing of applications filed during the extended application period. [\(PSC REF#: 494012.\)](#) In its Order of March 28, 2024, the Commission awarded \$705,698.02 to 16 of the projects submitted by January 31, 2024. [\(PSC REF#: 495070.\)](#) The Commission did not reward four applications but deemed eligible to be considered under the extended March 29 deadline, and directed Commission staff to provide the opportunity for applicants to submit supplemental information to address any questions surrounding their eligibility. The Commission also authorized that additional funds may be awarded through a comparative review of all applications at the discretion of the Delegated Commissioner. [\(PSC REF#: 495070\)](#)

### **Funding Available in the Extended Application Period**

In its Order of November 29, 2023, the Commission established a budget for RESP of \$2,330,720. [\(PSC REF#: 485930.\)](#) On March 28, 2024, the Commission awarded \$705,698.02 and left 1,625,021.98 remained available for a subsequent batch of awardees. [\(PSC REF#: 495070.\)](#)

## **Applications Received in the Extended Application Period**

Fifteen applications were considered received in the extended application period, including four applications from the first batch of applications that were not initially rewarded, and 11 new applications received by the extended deadline of March 29, 2024, at 1:30 PM. These 15 applications requested a total of \$797,376. Individual grant requests ranged from \$6,000 to \$75,000.

## **Evaluation Methodology**

A three-member review panel<sup>3</sup> was assembled to consider eligibility of the applications to facilitate the Delegated Commissioner's review. Review panel members were selected based on their knowledge of the program and its guidelines and review criteria. The review panel processed applications by performing an eligibility screening but did not conduct competitive scoring of grant applications because the requested funding from reviewed applications did not exceed the available budget. (See [PSC REF#: 489992](#) at pg.15).

To facilitate the Delegated Commissioner's review, the review panel checked each application to ensure it met the rural eligibility requirement, then reviewed the following to ensure they provided a substantive response to the narrative questions outlined in the Application Instructions relating to: Equity, Energy Justice—Justice40 Screening; New or Existing Plans and Opportunities; Ability and Preparedness to Achieve Objectives; Budget Justification and Contributions; Cost Savings and Payback/Economic Impacts; and Energy Saving and Environmental Impact. When necessary to provide the most complete record possible for the

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<sup>3</sup> The review panel consisted of three staff members of the OEI: Nicholas Labinski, Heidi Marson, and Penny Lien.

Delegated Commissioner review, OEI staff reached out for clarification and supplemental information.<sup>4</sup>

### **Justice40 Initiative**

Commission staff developed the Applicant Metrics Excel document<sup>5</sup> as the primary data collection tool for data related to the Justice40 initiative. The Applicant Metrics Excel document requests a complete list of all census tracts that would benefit from the proposed project, regardless of whether the tract is identified as a DAC. Applicants were directed to report all project-benefitting census tracts in the Excel document by using the Climate and Economic Justice Screening Tool (CEJST) or the OEI Map that includes rural designations and CEJST-defined DACs, and to identify rural and DAC designated census tract(s) within the project boundaries. Commission staff additionally analyzes and reports on Justice40 data as required by U.S. DOE.

### **Findings of Fact and Conclusions of Law**

1. The Commission has jurisdiction under 2015 Wisconsin Act 55 and Wis. Stat. §§ 196.02 and 196.025 to oversee the RESP and to determine eligibility and selection of grant applicants for awards.
2. The Commission may impose any term, condition, or requirement necessary to protect the public interest pursuant to Wis. Stat. §§ 196.02 and 196.395.
3. The issuance of this Order is a Type III action under Wis. Admin. Code § PSC 4.10(3) and requires neither an environmental impact statement nor an environmental assessment.

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<sup>4</sup> Requests for supplemental material included one or more of the following: verification of DAC status, uploading of the required Applicant Metric Excel document, and clarification of question #12 regarding use of an audit or assessment for Activity 3.

<sup>5</sup> See [9714-FG-2023 Applicant Metrics.xlsx Document](#)

## Opinion

### Application Eligibility Determinations

Eligibility parameters for applicants and activities were discussed in the Application Instructions, Section 1.3. The Town of Arena's proposed project (Application #815) was to install a solar array to provide electricity to municipal buildings under Activity 3. ([PSC REF#: 495125](#).) For Activity 3, Energy Efficiency: Energy Audits, Building Upgrades, the Application Instructions ([PSC REF #: 489992](#), Section 1.3.1.2) outlined eligible proposals:

This activity would fund 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) five that the community would need to evaluate and approve energy efficiency, electrification, and grid interactivity retrofits. This activity also allows the opportunity to explore the evaluation found in 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). Retrofits also offer a chance to invest in energy burdened and underinvested areas.

The review panel concluded that the Town of Arena's application may be proposing an ineligible activity.

The Delegated Commissioner finds that the Town of Arena's application is not eligible for consideration for RESP funding because solar is not connected with the DOE Blueprint 2A<sup>6</sup> that forms the basis for Activity 3 for upgrades and retrofits. There are separate blueprints for solar. The proposed project activity does not meet the DOE Blueprint or Activity eligibility requirements and is deemed ineligible.

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<sup>6</sup> See Blueprint 2A: Energy Efficiency: Energy Audits, Building Upgrades, <https://www.energy.gov/scep/blueprint-2a-energy-efficiency-energy-audits-building-upgrades>

## **Awards Determinations**

The Commission is appreciative of the efforts of all the applicants to bring forth meritorious projects for the purpose of reduce energy use, reduce fossil fuel emissions, and improve energy efficiency.

The evaluation of technical and complex applications to the program objectives is an area in which the Commission has special expertise. In addition to the RESP, the Commission also has statutory oversight of the Focus on Energy program and the Universal Service Fund and associated grant programs; and it administers the Energy Innovation Grant Program, and the State Energy Program as part of the OEI. Evaluating the relative merits of each application received for funding through the RESP requires a high degree of discretion and judgment, and reasonable people may reach different conclusions.

Discretionary decisions contemplate a process of reasoning based on facts in the record or reasonably inferred from the record, and a conclusion based on a logical rationale founded upon proper legal standards. *Reidinger v. Optometry Examining Bd.*, 81 Wis. 2d 292, 297, 260 N.W.2d 270, 273 (1977).

To ensure a thorough decision-making process in awarding grants, the Commission, here through the Delegated Commissioner, reviews the applications, considers the initial funding recommendations from the review panel, and considers additional factors. Comparative review of all applications deemed eligible by the review panel identified that all applications proposed meritorious projects consistent with the scope of the program. Sufficient funding is available to fully award all funding requested by eligible applicants.

The Commission awards grants to all 14 applications determined eligible for funding in the amounts set forth in Attachment 1, totaling \$768,600. Of the 23 census tracts receiving

benefits from those 14 applications, eight census tracts, or 34.78 percent, are identified as a DAC.

### **Order**

1. The grant applications listed in Attachment 1 are approved in the award amounts stated therein.

2. Each grant recipient may accept the grant award for its respective project by entering into a grant agreement prepared by Commission staff. The grant awards referred to herein are not final until the grant recipient completes and signs the grant agreement, and the Commission's duly designated representative signs and delivers the executed Grant Agreement to the grant recipient.

3. Prior to the delivery of the executed Grant Agreement, the Commission may rescind any grant award for any reason. The project may not commence, and project costs must not be incurred prior to the project start date finalized in the executed Grant Agreement.

4. The grant applications not listed in Attachment 1 are denied.

5. This Order is effective one day after the date of service.

6. Jurisdiction is retained.

Dated at Madison, Wisconsin, May 9, 2024.

For the Commission:



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

CS:NL:OS:JP:TK:JF:bs DL:02010643

Attachments: Attachment 1: Rural Energy Startup Grant Awards

**Attachment 1  
Rural Energy Startup Grant Awards**

<b>Grant Applicant</b>	<b>Activity Type</b>	<b>Award Amount</b>
City of Marion	Activity 1: Comprehensive Energy Planning	\$75,000.00
Village of Merrilan	Activity 1: Comprehensive Energy Planning	\$75,000.00
Town of Fairfield	Activity 2: Renewable Resource Planning	\$45,000.00
City of Superior	Activity 3: Energy Audits and Building Upgrades	\$75,000.00
County of Menominee	Activity 3: Energy Audits and Building Upgrades	\$75,000.00
Barron County	Activity 3: Energy Audits and Building Upgrades	\$75,000.00
Town of Weigor	Activity 3: Energy Audits and Building Upgrades	\$75,000.00
Town of Scott	Activity 3: Energy Audits and Building Upgrades	\$6,000.00
City of Baraboo	Activity 3: Energy Audits and Building Upgrades	\$75,000.00
Town of Russell - Bayfield County	Activity 3: Energy Audits and Building Upgrades	\$34,200.00
Town of Lake	Activity 3: Energy Audits and Building Upgrades	\$75,000.00
City of Edgerton	Activity 3: Energy Audits and Building Upgrades	\$17,500.00
City of Evansville	Activity 3: Energy Audits and Building Upgrades	\$17,500.00
Town of Big Flats	Activity 3: Energy Audits and Building Upgrades	\$48,400.00