

SERVICE DATE May 28, 2024
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PUBLIC SERVICE COMMISSION OF WISCONSIN

2023 Energy Innovation Grant Program Funded by the Infrastructure
Investment and Jobs Act in a Department of Energy Grant

9709-FG-2023

ORDER

This is the Order approving the award of \$7,880,570 in grants for the 2023 Energy
Innovation Grant Program (EIGP).

Introduction**Background**

The Energy Innovation Grant Program (EIGP) is a grant program implemented by the Public Service Commission of Wisconsin's (Commission) Office of Energy Innovation (OEI), which is Wisconsin's designated State Energy Office (SEO) under Wis. Stat. § 196.025(7). The EIGP furthers the mission of the OEI through a broad program scope covering a variety of energy-related projects. The Commission established EIGP at the open meeting of November 16, 2017, when it decided to repurpose the repaid funds from a 2009 American Recovery and Reinvestment Act (ARRA) financial assistance program, the Clean Energy Manufacturing Revolving Loan Fund, into a grant program. ([PSC REF#: 334218](#)) The Commission then also obtained the necessary approvals from the U.S. Department of Energy (U.S. DOE).

While in previous rounds of the EIGP, the program has been funded by ARRA, the present round uses a different funding source. On November 15, 2021, the U.S. Congress enacted the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan

Infrastructure Law (BIL).¹ The IIJA included significant energy provisions and funding for energy-related programming. The IIJA directly allocated funding to states through the State Energy Program (SEP) formula grant under Section 40109 (IIJA SEP). The OEI, as Wisconsin's statutorily designated SEO, applied for and was granted by U.S. DOE, the Wisconsin IIJA SEP allocation of \$7,880,570 in formula funding under the direction of the Delegated Commissioner. The Commission allocated the majority of these funds (\$7.80 million) to serve as the budget for the 2023 round of the EIGP. ([PSC REF#: 485923](#).)²

IIJA SEP is a Justice40³ covered program 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 disadvantaged communities (DACs). As such, Commission staff will track and report 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.

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

² A portion of the allocation was originally budgeted for other administrative activities, such as participating in DOE-provided technical assistance centered around the expanded OEI duties imposed by the IIJA SEP.

³ See Justice40 Initiative | Department of Energy, <https://www.energy.gov/diversity/justice40-initiative>

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On October 11, 2023, Commission staff issued a memorandum for public comment and Commission review and decision on the 2023 EIGP program design and budget. ([PSC REF#: 481825](#).) Seven public comments were received.

In its Order issued on November 29, 2023, the Commission established the program design of the EIGP 2023 grant round, establishing elements including (1) eligible applicant types; (2) eligible activity categories; (3) maximum grant requests and total funds available for each activity category; and (4) an annual budget. ([PSC REF#: 485923](#).)

On November 30, 2023, the OEI released the “Energy Innovation Grant Program 2023 Application Instructions” which provided instructions consistent with the Commission’s Order; the document was updated on December 19, 2023, with an administrative correction. ([PSC REF#: 486065](#), updated by [PSC REF#: 487174](#).) Commission staff held two informational webinars for prospective applicants in December 2023 and January 2024, made webinar materials and other resources available on the Commission website, and provided additional outreach and support to potential applicants. The instructions established an application due date of March 1, 2024, at 1:30 pm CST, with all applications required to be submitted into the PSC Grants System.

Given the significance of the Justice40 initiative as a policy driver, which also garnered interest during the public comment period (*e.g.* [PSC REF#: 482606](#)), the Application Instructions featured changes to the Evaluation section to clearly outline a scoring rubric that placed emphasis on projects that may benefit a DAC. ([PSC REF#: 487174](#).) Informed by public comments, the instructions also provided clarity that the program does not require matching funds. Commission staff made additional efforts to make this clear to prospective applicants

through stakeholder outreach, including a Frequently Asked Questions document and informational webinars, to improve awareness and remove any potentially perceived barrier to participation, especially among under-resourced applicants that could be less likely to be able to provide match. ([PSC REF#: 482567.](#)) Budget contributions were a scored merit criteria in this grant round. (See [PSC REF#: 487174](#) at Section 5.5.2.2.)

Funding Available

In its Order of November 29, 2023, the Commission established an allotment of \$7.8 million for the 2023 EIGP grant round with maximum grant requests and total funds available for each eligible activity as shown in Table 1. ([PSC REF#: 485923.](#))

Table 1. 2023 EIGP Grant Round Budget and Available Funds per Activity

Eligible Activity	Maximum Grant Request	Approved Available Funds Per Activity
1. Renewable Energy and Energy Storage	See below	\$3.4 Million
Renewable Energy Systems (Non-Solar PV)	\$500,000	
Solar PV Systems	\$250,000	
Energy Storage System	\$250,000	
Renewable Energy Systems with Energy Storage	\$500,000 (Solar PV) \$750,000 (all other Renewable Energy)	
Level 3 Microgrid Implementation	\$750,000	
2. Energy Efficiency and Demand Response	\$1 million	\$3.4 Million
3. Comprehensive Energy Planning & Feasibility Studies for Microgrids	See below	\$1 Million
Planning Efforts	\$50,000 for Single Eligible Applicant \$100,000 for Two Eligible Applicants \$150,000 for Three Eligible Applicants \$200,000 for Four or More Eligible Applicants	
Feasibility Studies for Microgrids	\$50,000 for Level 1 & Level 2 Microgrids \$100,000 for Level 3 Microgrid	
Total		\$7.8 Million

In addition to the original program budget, a portion of the original IJA SEP allocation that was budgeted for other administrative activities were no longer needed, and as such, resulted in an available balance of \$80,570 that could be allocated to eligible EIGP projects. The funding recommendations presented in the staff memorandum included a staff-identified option to make use of these funds, as discussed in the Use of Additional IJA SEP Funds section below.

Overview of All Applications

Eighty-five applications were received with the sum of the grant requests totaling \$34,737,318.

Individual grant requests ranged from \$6,000 to \$1 million.

Table 2. Summary of All Applications by Applicant Type and Activity Type

Applicant Type	Activity Type								
	Activity 1: Renewable Energy and Storage		Activity 2: Energy Efficiency and Demand Response		Activity 3: Comprehensive Energy Planning & Feasibility Studies for Microgrids		Total		
	Count	Request	Count	Request	Count	Request	Count	% of Total	Request
501(c)(3)	14	\$4,072,318	14	\$7,904,164	5	\$1,232,728	33	39%	\$13,209,210
City	1	\$92,584	6	\$3,282,063	5	\$442,576	12	14%	\$3,817,223
County	3	\$1,147,125	3	\$1,985,000	2	\$150,000	8	9%	\$3,282,125
K-12 School District	2	\$666,899	5	\$3,488,084	2	\$100,000	9	11%	\$4,254,983
Manufacturer	0	\$0	10	\$5,753,500	0	\$0	10	12%	\$5,753,500
Municipal Water or Wastewater Utility	0	\$0	1	\$160,000	0	\$0	1	1%	\$160,000
Tribal Nation	1	\$500,000	2	\$967,174	1	\$100,000	4	5%	\$1,567,174
Town	1	\$142,310	1	\$6,000	0	\$0	2	2%	\$148,310

Applicant Type	Activity Type								
	Activity 1: Renewable Energy and Storage		Activity 2: Energy Efficiency and Demand Response		Activity 3: Comprehensive Energy Planning & Feasibility Studies for Microgrids		Total		
	Count	Request	Count	Request	Count	Request	Count	% of Total	Request
UW Wisconsin campus or facility	1	\$270,624	1	\$930,269	0	\$0	2	2%	\$1,200,893
Village	2	\$593,900	0	\$0	0	\$0	2	2%	\$593,900
Wisconsin Technical College System	2	\$750,000	0	\$0	0	\$0	2	2%	\$750,000
Total	27 (32%)	\$8,235,760	43 (51%)	\$24,476,255	15 (18%)	\$2,025,304	85	100%	\$34,737,318
Total Funds Available	\$3,400,000		\$3,400,000		\$1,000,000		\$7,800,000		

Review Panel Evaluation Methodology

A nine-member review panel⁴ with three members assigned to each activity reviewed the applications among like projects in their respective activity and ranked them to facilitate the Commission’s own review. The review panel included Commission staff from the OEI, the Office of Environmental Analysis, the Division of Water Utility Regulation and Analysis, and the Division of Energy Regulation and Analysis; as well as external participants from Aptim Government Solutions, LLC, the program administrator for Focus on Energy. Review panel members were selected based on their respective areas of expertise and perspectives acquired through work with various eligible applicants in both regulatory and non-regulatory settings.

⁴ The review panel consisted of: Colton Bushey, Andrew Craft, Kari Heinrich, Tony Knipfer, Nick Labinski, and Tyler Tomaszewski from Commission staff, as well as Scott Bloedorn, Jesse Bauer, and Andrew Sheaffer from APTIM.

Projects were assessed in comparison to projects in the same category. Merit review categories included the following: Ability and preparedness to achieve objectives, budget justification and contributions, cost savings and payback, energy savings and environmental impact (limited to Activity 1 and 2 only), equity and energy justice, energy planning efforts underway or completed, energy resiliency, and innovation. ([PSC REF#: 487174](#) at pages 16-17).

In connection with the Justice40 requirements of IJJA SEP, the scoring rubric for this EIGP round assigned greater weight than previous rounds to the Equity and Energy Justice scoring criterion, and scores on that criterion significantly influenced the rank order of the applications. Commission staff additionally analyzed and reported on Justice40 data submitted by applicants.

The Commission considered the matter at its open meeting of April 18, 2024. ([PSC REF#: 499310.](#))

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 EIGP 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.

Opinion

Application Eligibility Determinations

Eligibility parameters for applicants and activities were discussed in the Application Instructions, Section 1.2.2. ([PSC REF#: 487174](#) at page 2.) Ineligible activities were itemized in Application Instructions, Section 1.2.3. ([PSC REF#: 487174](#) at page 5.) Additionally, the Application Instructions specified a number of circumstances that could render an application or filing ineligible. Applications were due March 1, 2024, at 1:30 pm CT to the PSC Grants system.

Eligibility issues this round pertained to the activity type selected or described in the application. This includes instances where the application presents:

- Eligibility Ambiguity: an activity type is proposed that is not expressly listed in Application Instructions Section 1.2.2.1.2 Eligible Activity Categories and Maximum Grant Requests;
- Eligibility of Category: an activity type is proposed that may reasonably be considered eligible in Application Instructions Section 1.2.2.1.2 Eligible Activity Categories and Maximum Grant Requests, but is not categorized under the activity category in which the application was submitted, which can present additional eligibility concerns over maximum grant requests.

The table below lists the applications identified by the review panel for Commission consideration due to activity type eligibility issues.

Table 3 – Eligibility Considerations

Recommended for Funding if Deemed Eligible	App ID/ERF Link	Applicant Name	Grant Funds Requested	Eligibility Consideration
Yes Activity 2	App ID: 738 492793	Vernon County Energy District	\$904,033	Eligibility Ambiguity
Yes Activity 3	App ID: 741 492631	Walnut Way Conservation Corporation	\$200,000	Eligibility of Category (including maximum grant request)
Yes (Partial) Activity 3	App ID: 742 492620	Walnut Way Conservation Corporation	\$790,020	Eligibility of Category (including maximum grant request)

The Commission deems that Application #738 -Vernon County Energy District and application #742- Walnut Way Conservation Corporation are ineligible. The loan program activities proposed by Vernon County Energy District in Application #738 fall outside the activity definitions in the Application Instructions, Section 1.2.2.1.2 Eligible Activity Categories and Maximum Grant Requests, and loan programs may present excessive challenges for supporting project monitoring and compliance within the EIGP framework. In Application #742, Walnut Way Conservation Corporation requested \$790,000, an amount exceeding the maximum grant requests available under Activity 3 for a single applicant (\$50,000). (See Table 1.) That application also represents the second application by Walnut Way Conservation Corporation under the same activity which was prohibited by the Application Instructions. After the panel review and a request for clarification by Commission staff, Walnut Way Conservation Corporation indicated that its proposal better aligned with Activity 2 and requested consideration under that activity type. The Commission finds that it is not reasonable to consider the application under Activity 2 after panel review was completed.

The Commission deems that application #741- Walnut Way is eligible. While the applicant selected a “single applicant” designation with a maximum grant request of \$50,000 in

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the submitted application, other sections in the application provide that the planning process involves the following partners, “Northwest CDC,”⁶ “30th Street Coordinating Committee,” and Metcalf Park Community Bridges, and that “[t]he project team, Walnut Way and its partners are 501(c)(3) organizations and therefore meet eligibility requirements to receive and manage an EIGP grant.” The applicant also later filed supplemental information in which it clarified the application should have been filed under a consortium with a maximum grant request of \$200,000.

Award Determinations

The Commission is appreciative of the efforts of all the applicants to bring forth meritorious projects for the purpose of reducing energy consumption and cost, increasing use of renewable energy and transportation technologies, and promoting comprehensive energy planning, preparedness, and energy resiliency. Applicant submissions evidenced the significant need and demand for this program with 85 applicants requesting nearly \$35 million. As the demand for the program far exceeded the funds available in this grant round, the Commission was faced with the difficult decision of determining which of the many meritorious applications should be funded.

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 EIGP, 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 State Energy Program as part of OEI, and the Broadband Expansion Grant Program. Evaluating the relative merits of each application

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received for funding through the EIGP 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 reviews the applications, considers the initial funding recommendations from the review panel, and considers additional factors.

In this instance, those additional factors included: support for goals related to the Justice40 Initiative; consideration of whether to conditionally award to applicants that have experienced some form of non-compliance in past grant rounds; omission of grant applications that were likely to receive funding in another OEI program; and consideration of necessary budget adjustments for partial awards.

Considering these factors and based on the specific facts and circumstances of the applications submitted in this round, the Commission finds it is reasonable to adjust its original allotment of \$7.8 million among the three eligible activity categories, as shown in Table 1 above, provide additional IJJA SEP funds to be used over and above the budget, and to make adjustments to the review panel's recommendations allowing funding to flow into the next eligible applicant on the merit scale.

Additionally, Commission finds it reasonable not to award, a recommended application from Activity 3, (#722) Marion School District, due to it being an anticipated awardee under the

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Rural Energy Startup Program, another IJJA-funded program under award review at the time of the Commission meeting⁵.

The Commission awards grants to 28 of the 85 applications in the amounts set forth in Attachment 1, totaling \$7,880,570. The Commission notes that the preliminary results of the Justice40 analysis show that 51% of census tracts identified by applicants as benefitting from the project are identified as a DAC.

Grant Application ID	Applicant	Indicated DAC Census Tract	Not an Indicated DAC Census Tract	Partial DAC Census Tract	Total Census Tract	Percent DAC Census Tracts (%)
695	Hope Village – Tiny Housing Alternatives, Inc	1	0	0	1	100%
714	Town of La Pointe	1	0	0	1	100%
780	WHPC-Villa West-Green Bay, LLC	1	3	2	6	50%
743	Lac du Flambeau Chippewa Housing Authority	1	0	0	1	100%
707	Couleecap, Inc.	1	0	0	1	100%
618	Northeast Wisconsin Technical College	9	10	0	19	47%
739	Lake Mills Area School District	0	1	0	1	0%
761	Bayview Foundation, Inc.	0	1	0	1	0%
773	Aurora Health Care, Inc.	11	0	0	11	100%
688	Habitat for Humanity of the Greater La Crosse Region, Inc.	1	0	0	1	100%
757	Cooperative Educational Service Agency 10	2	0	0	2	100%
755	City of La Crosse	2	12	0	14	14%
644	Lac du Flambeau Chippewa Housing Authority	1	0	0	1	100%

⁵ Marion’s Rural Energy Startup Program proposal was awarded in the Commission’s order of May 9, 2024. ([PSC REF#: 500920](#))

Grant Application ID	Applicant	Indicated DAC Census Tract	Not an Indicated DAC Census Tract	Partial DAC Census Tract	Total Census Tract	Percent DAC Census Tracts (%)
706	Revitalize Milwaukee, Inc.	148	0	0	148	100%
672	City of Kaukauna	5	0	0	5	100%
654	ATI Ladish	1	0	0	1	100%
660	City of Racine	7	18	0	25	28%
663	Midwest Renewable Energy Association	5	3	2	10	70%
754	La Crosse County	1	0	0	1	100%
741	Walnut Way Conservation Corp	1	0	0	1	100%
760	Milwaukee Board of School Directors	103	42	0	145	71%
730	City of Stevens Point	187	353	9	549	36%
676	Ho-Chunk Nation	0	0	4	4	100%
661	City of Racine	7	18	0	25	28%
774	Aurora Health Care, Inc.	21	0	0	21	100%
777	Wisconsin Housing Preservation Corp	51	52	5	108	52%
772	City of Madison	6	44	2	52	15%
756	City of Oshkosh	1	15	0	16	6%
Total		575	572	24	1171	51%

The Commission does find that it is reasonable to make the award to Habitat for Humanity of Greater La Crosse Region, Inc. conditional upon that applicant working with staff to develop a grant agreement based upon actual allowable costs, with the total award amount up to but not exceeding \$294,000. The Commission also finds that it is reasonable to make the award to Revitalize Milwaukee, Inc. conditional upon that applicant establishing full compliance with requirements due in previously existing awards prior to execution of the grant agreement for the current round. If Revitalize Milwaukee does not establish such compliance within 60 days of the effective date of this Order, the award granted in this round per this Order shall be rescinded.

Future Grant Rounds

To the extent there are available funds, the Commission finds it reasonable to direct Commission staff to bring a proposal back to the Commission regarding the scope of the next funding round that implements lessons learned from this and the previous rounds of EIGP funding.

Order

1. The grant applications listed in Attachment 1 are approved in the award amounts stated therein. In each instance in which a grant recipient has offered to contribute matching funds toward the total cost of the project, the offer of matching funds shall be incorporated into the grant agreement, as modified in the case of the partial award.

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 eligible grant applications not listed in Attachment 1 are denied without prejudice and may be resubmitted in a future grant round if eligible.

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6. Each grant award approved by this Order is for the specific project described in the grant application, as modified in the grant agreement in the case of a partial award, at the stated project cost, and in the project area described documented in the grant application.

7. Habitat for Humanity of the Greater La Crosse Region, Inc. shall work with Commission staff to develop a grant agreement based upon the actual allowable costs, with the total award amount up to but not exceeding \$294,000.

8. Revitalize Milwaukee, Inc. shall establish full compliance with the requirements due in previously existing Commission grant awards prior to execution of the grant agreement for the award granted in this round per this Order. The current round award shall be rescinded if said compliance is not established within 60 days of the effective date of this Order.

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

10. Jurisdiction is retained.

Dated at Madison, Wisconsin, the 28th day of May, 2024.

For the Commission:

A handwritten signature in black ink, appearing to read "Cru Stubley", written in a cursive style.

Cru Stubley
Secretary to the Commission

CS:JF:TK:JP:OS:GS:kle:bs DL:02008989

Attachments: Attachment 1: 2023 Energy Innovation Grant Awards

2023 Energy Innovation Grant Awards

Activity 1: Renewable Energy and Energy Storage

Grant Applicant	Award Amount
Hope Village – Tiny Housing Alternatives, Inc	\$85,682.00
Town of La Pointe	\$142,310.00
WHPC-Villa West-Green Bay, LLC	\$386,750.00
Lac du Flambeau Chippewa Housing Authority	\$500,000.00
Coulecap, Inc.	\$277,876.00
Northeast Wisconsin Technical College	\$250,000.00
Lake Mills Area School District	\$416,899.00
Bayview Foundation, Inc.	\$500,000.00
Aurora Health Care, Inc.	\$486,900.00
Habitat for Humanity of the Greater La Crosse Region, Inc.	\$294,000 Partial Conditional Award per Order
Cooperative Educational Service Agency 10	\$86,439.66 Partial Award

Activity-2: Energy Efficiency and Demand Response

Grant Applicant	Award Amount
City of La Crosse	\$755,875.92
Lac du Flambeau Chippewa Housing Authority	\$523,894.00
Revitalize Milwaukee, Inc.	\$1,000,000.00 Conditional Award per Order

City of Kaukauna	\$1,000,000.00
ATI Ladish LLC	\$125,000.00
City of Racine	\$22,086.74 Partial Award

Activity-3: Comprehensive Energy Planning

Grant Applicant	Award Amount
Midwest Renewable Energy Association	\$135,033.70
La Crosse County	\$100,000.00
Walnut Way Conservation Corp	\$200,000.00
Milwaukee Board of School Directors	\$50,000.00
City of Stevens Point	\$178,672.00
Ho-Chunk Nation	\$100,000.00
City of Racine	\$50,000.00
Aurora Health Care, Inc.	\$30,000.00
Wisconsin Housing Preservation Corp	\$77,674.00
City of Madison	\$50,000
City of Oshkosh	\$55,476.96 Partial Award