



Low-Income and Energy Efficiency Fund

Michigan Public Service Commission
Lansing, Michigan

December 2, 2008

Background of the Low-Income and Energy Efficiency Fund

- Customer Choice and Electricity Reliability Act of 2000 (PA 141) created fund
- Commission Order (Case No. U-13129) was issued on November 20, 2001

Request for Proposal Objectives (Award/Tender)

- Establishes procedures for the fund administration
- Promotes fairness, transparency, and non-discriminatory conduct
- Public notification of Requests for Proposal
- Steps for submitting a bid

Request for Proposal Objectives (cont.)

- Qualifications and disqualifications from participation (selection criteria)
- Non-funded applicant disputes are handled on a case by case basis

Applicants can receive information on scoring (or scores) through the Freedom of Information Act (FOIA)

Award Procedures

- A. Commission issues a Request for Proposal (Award/Tender).
- B. Due date set for submission of proposals.
- C. Using uniform selection criteria, the evaluation team reviews the proposals and submits their recommendations to Commission.
- D. The final decision on awardees is made by the Commission and announced to the public through issuance of an “Opinion and Order”.
- F. Grant Contracts contain Part I and Part II and a signature page.

Award Procedures (cont.)

- G. Contracts, proposals, and budgets are submitted to our department for further processing.
- H. Contracts over \$25,000 must be approved by the “State Administrative Board”.
- I. Upon approval, contracts are signed by both parties.
- J. The grant funds are distributed.

Selection Criteria Used

e.g. Michigan Energy Efficiency Proposal
Alternative/renewable energy technology grants

Total points equal 100:

- Experience of organization (10 points)
- Management summary (15 points)
(Management profile i.e. experience level)
- Proposed project (30 points)
- Work plan (20 points)
- Budget (25 points)

Grant Contract Agreement

Part I

- *Introduction* – identifies Awardee as the “Grantee” and identifies the Michigan Public Service Commission as the “Grantor”.
- *Statement of Purpose* – a brief overview of the project.
- *Statement of Work* – the services specified to be completed in the grantee’s proposal.
- *Budget* – detailed line items agreed to by both parties.

Grant Contract Agreement (cont.)

5. *Payment schedule* – explains how the funds will be disbursed to the Grantee.
6. *Monitoring and Reporting Program Performance* - the grantee will monitor their project and will report project progress and financial status on a monthly basis.

Grant Contract Agreement (cont.)

Part II - General Provisions

Boilerplate language written by the State of Michigan's Attorney General's Office. Provisions include:

Project changes	Intellectual property
Record retention	Safety
Project income	Cancellation
Accounting	Unfair labor practices
Audit	Illegal influence
Competitive bidding	Independent contractor relationship
Liability	Purchase of equipment

Distribution of Funds

Funds are distributed in accordance to the payment schedule set forth in their contract, for example:

e.g. Low-Income Energy Efficiency Grants
(weatherization of low-income households)

Payment schedule:

- 10% Holdback until project is completed
- 45% First advance of the grant amount
- 45% Second advance is made when 90% of the first advance has been spent with a resulting appropriate level of project progress.

Thank you.

Questions?