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Matching Grants Available for Retooling for Energy Efficiency

Client Alert

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Need a new energy efficient, or electric, forklift to replace that diesel one at work? How about replacing that gas guzzling engine with an electric one? A new energy efficient water heater? The Michigan Department of Environment, Great Lakes, and Energy ("EGLE") recently announced that it is seeking proposals for the 2025 Small Manufacturers Retooling Program ("Retooling Program"). Under this program, manufacturers with 500 or less employees worldwide, can get up to \$50,000 matching grants to make equipment improvements to increase energy efficiency. The improvements must reduce energy use and/or cost per unit produced. The grant is part of the MI Healthy Climate Plan and is awarded in the form of a reimbursement. Meaning, once you incur the costs and make improvements, you must submit the invoices and proof of payment. You are then eligible for half of the approved costs incurred, up to \$50,000. The expenditure for which reimbursement is sought must have been incurred during the time period set forth in the executed grant agreement. This year's applications must be submitted by April 30, so if the program is of interest, now is the time to act upon it and submit that proposal.

The grant proposal must address one or more of the program objectives and one or more of the program priorities.

The program objectives are:

1. "Achieve meaningful energy and cost savings by enhancing the energy efficiency of Michigan small manufacturing facilities.
2. Reduce greenhouse gas emissions.
3. Improve the resiliency of Michigan small manufacturing facilities through improvements that reduce energy input per unit produced.

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4. Disseminate project successes to accelerate the adoption of energy efficiency technologies and best practices by Michigan's manufacturing sector."

The program priorities are:

1. "Highlighting energy waste reduction as an affordable, reliable, adaptable, and environmentally protective solution for Michigan's energy future. Energy waste reduction, as defined in Public Act 342 of 2016, includes energy efficiency, load management, and energy conservation.
2. Use of energy audit/assessment results, from a recognized provider such as the Retired Engineers, Scientists, Technicians, Administrators, Researchers and Teachers (RESTART) program, to guide energy efficiency investments.
3. Increasing accessibility to energy waste reduction and the associated benefits for a broad range of end-users.
4. Strategic deployment of energy waste reduction across the state that leverages regional strengths and opportunities.
5. Cultivating public-private partnerships and knowledge-sharing to expand the impact of energy waste reduction projects and related best practices.
6. Increasing opportunities for business investment, talent enhancement, state branding, and community vitality.
7. Showcasing electrification, clean fuel, or other energy efficiency projects intended to achieve significant reduction in net onsite greenhouse gas (GHG) emissions.
8. Manufacturing process energy efficiency-focused projects with significant material, water, labor, or other cost savings.
9. Projects from economically challenged industrial sectors or Michigan manufacturing facilities likely to significantly further the climate, environmental justice, equity, or Michigan Upper Peninsula energy priorities of EGLE.
10. Support the goals of the MI Healthy Climate Plan."

There are a few ineligible projects including those that are not considered scientifically sound or are a demonstration of non-commercially available equipment or technologies that cannot be shared with others.

Would you like to conduct an energy audit? EGLE encourages energy audits as part of the initiative. This technical assistance is free and available through a program similar to the former RETAP program. The new program (RESTART) provides free onsite energy efficiency and sustainability technical assistance and assessments.

A total of \$250,000 in funding is expected to be available for the program.

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If you are considering submitting a proposal, you are encouraged to talk to EGLE in advance of the submittal.

The Request for Proposals, Application, Sample Grant Agreement, and more about this funding opportunity can be found on the Small Manufacturers Retooling Program website.

Please contact the authors of this Client Alert or your Butzel attorney for more information.

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