

## **Abstract: Michigan Retrofit Ramp-up Initiative**

This proposal is in response to the *Recovery Act: Energy Efficiency and Conservation Block Grants: Competitive Solicitation: Retrofit Ramp-up Program Funding Opportunity Announcement Number: DE-FOA-0000148*. This proposal is being submitted by Michigan Saves Inc. and the Michigan Department of Energy, Labor, and Economic Growth on behalf of a collaborative group of Michigan entities including: (1) the City of Detroit represented by the Detroit Economic Growth Corporation; (2) Southeastern Michigan counties represented by the Southeast Michigan Regional Energy Office; and (3) the City of Grand Rapids.

The Michigan Retrofit Ramp-up Initiative (MRRI) is designed to create a sustainable energy efficiency market by providing outreach and education to increase demand, a skilled energy efficiency workforce to meet that demand, and the tools for lenders to make ongoing investments in energy efficiency in residential, commercial, industrial, and public buildings. To do this we will leverage an innovative investigatory framework to explore the drivers of energy efficiency uptake across sectors, while delivering large-scale adoption of energy efficiency building retrofits in a diversity of communities. We also will grow our unique Michigan Saves financial program, which is designed to eliminate upfront costs and provide streamlined financing for energy efficiency and renewable energy projects in perpetuity. Finally, our community-scale outreach will use deep energy efficiency retrofits as catalysts for the development of economically, environmentally and socially sustainable neighborhoods generating growing market demand well beyond the MRRI program.

Our overall approach encompasses two parts: residential retrofits in targeted neighborhoods across Michigan and energy efficiency upgrades of commercial centers in the City of Detroit.

- Our Residential Neighborhood Retrofit Program focuses on four Michigan regions: the city of Detroit, the suburbs of southeast Michigan, the city of Grand Rapids, and non-entitlement communities throughout the state to be selected after the award. Together these regions represent the varying income distributions, building types, and home ownership levels found across Michigan. In each region, neighborhood-wide sweeps will test the impact on residential uptake of two key variables: outreach/marketing and financing/incentives. Tailored program design, extensive surveys and data collection, and performance analysis will allow us to improve sweep design in each subsequent year of the program.
- The Detroit Commercial Centers Program will concentrate on three commercial centers along the Woodward Corridor in greater downtown Detroit. Private, public, and institutional actors in these neighborhoods will have the option to choose among three financial packages with varying financial incentives and loan enhancements. Again, extensive data collection and analysis will accompany this program. Similar to the residential model, differential adoption of these packages will provide deep insight into what drives uptake in non-residential buildings nationally.

Over the course of the three-year program, we expect to address 11,340 residential buildings and at least 131 commercial, public and industrial buildings across Michigan, avoiding 1.2 TBTUs of energy consumption and 19.6 tons of greenhouse gas emissions per year and creating 2,063 green jobs.

This proposal represents a multi-stakeholder effort including foundations, utilities, universities, public and private sector representatives including DTE Energy, Consumers Energy, MASCO Home Services (d/b/a Well Home), Detroit Investment Fund, Community Foundation for Southeastern Michigan, Henry Ford Community College, and Michigan State University, in addition to the collaborative partners noted above. The knowledge and outcomes derived through our unique program will provide the US Department of Energy, the State and its partners with the essential understanding of what drives energy efficiency uptake in residential communities across the Midwest, as well as a scalable, replicable model for national rollout. Finally, through this program we will put in place the essential elements to guarantee a sustainable and growing market for energy efficiency in Michigan.