

# Michigan Recovery & Reinvestment Plan

## MI Opportunities for Leveraging EECGB Funds

for  
Michigan Entitlement and  
Non-Entitlement Communities



# MPSC Programs

- LIEE Fund Grants
  - Michigan Schools Renewable Energy Program
  - Michigan Local Governments Renewable Energy Program
  - *Michigan Saves*
- Utility Energy Optimization Programs
- Utility Renewable Energy Programs



# MPSC LIEE Fund

- Low-Income & Energy Efficiency Fund provides shut-off and other protection for low-income customers and promotes energy efficiency for all customer classes.
- Receive notices of Requests for Proposals (RFPs) and grant awards through email listserv.
  - Go to the MPSC website – [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc); in the green box entitled “Online Services” click on “E-mail Subscription Lists;” follow the instructions for subscribing to the list entitled MPSC-MIEE



# Schools Renewable Energy Program

- In April 2009, the Michigan Public Service Commission awarded Michigan Energy Efficiency grants totaling \$5,500,000 from the Low-Income and Energy Efficiency Fund to three organizations:
  - Elkton-Pigeon-Bay Port Laker Schools
  - Great Lakes Energy Service
  - Recycle Ann Arbor (d.b.a. Energy Works Michigan)

\*\*\*Program summaries & contacts on next slide
- Through these grants, funding opportunities are available to schools statewide for the installation and operation of small scale, on-site renewable energy systems and energy efficiency upgrades.



# Renewable Schools (cont.)

- **Elkton-Pigeon-Bay Port Laker Schools (\$1,000,000)** – create renewable energy programs at up to 15 Michigan career-technical schools. Installation and instruction for wind, solar, biofuels, biomass, weatherization, green building, and more. These schools then become renewable energy demonstration sites with resident experts to further educate the local communities.
  - Brion Dickens, Project Manager (989) 551-3732 [woodland@airadvantage.net](mailto:woodland@airadvantage.net)
  - Kathy Dickens, Laker Schools (989) 453-4605 [kdickens@lakerschools.org](mailto:kdickens@lakerschools.org)
- **Great Lakes Energy Services (\$1,000,000)** – conduct energy audits, install renewable energy and energy efficiency technologies, and provide associated learning tools; increase consumer awareness and education concerning energy and money savings associated with renewable systems.
  - Chris Dunkel (517) 669-5389 [www.greatlakesenergyservice.org](http://www.greatlakesenergyservice.org)
- **Recycle Ann Arbor (d.b.a. Energy Works Michigan, \$3,500,000)** – renewable energy and energy efficiency upgrades to schools throughout the state through a renewable energy program, an energy efficiency program, and a post-secondary curriculum program.
  - [www.energyworksmichigan.org](http://www.energyworksmichigan.org)



# Renewables for Local Governments

- In April 2009, the MPSC issued RFP for up to \$8,500,000 for projects that will facilitate successful installation and operation of small scale, on-site renewable energy systems and energy efficiency upgrades at multiple Michigan local government facilities.
- Proposals currently being reviewed. Order awarding grants anticipated in August or September 2009.



# Michigan Saves

- *Michigan Saves System* -- a revolutionary means for customers to buy energy efficiency and on-site renewable energy with no money down and monthly payments on utility bills
  - Market-based... no theoretical limit to total investment
  - Off balance sheet financing
  - Obligation to pay only as long as customer is saving
  - Vendors must warranty equipment for duration of payback period
- \$8.1 million grant to Public Sector Consultants (Lansing)
  - ~\$6 million to serve as a guarantee fund for the financing
- [www.michigan.gov/lieefund](http://www.michigan.gov/lieefund) & also *Michigan Saves* workgroup at [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc), then click on *Electricity*, then *Workgroups*, then *Michigan Saves*



# Michigan Saves (cont.)

- Contractor (Public Sector Consultants) seeking pilot projects now, to begin before end of 2009
- Website startup August 2009
- Contact Amy Rittenhouse at Public Sector Consultants, at (517) 484-4954 or [arittenhouse@pscinc.com](mailto:arittenhouse@pscinc.com).
- <http://www.pscinc.com/documents/MichiganSaves/index.html>



# Utility EO Programs

- 2008 PA 295 requires electric and gas utilities to provide energy optimization (EO) programs to help all customer types to save energy.
- MPSC has processed 63 utility EO plans, representing investor-owned utilities, electric cooperatives and municipal utilities.
- EO programs provide efficiency offerings to all retail customer classes.
- Utilities are rolling out programs now, usually commercial and industrial first. (Local government facilities are almost always classified as commercial.)



# Utility EO Programs

- Over the next 3 years, \$407 million in ratepayer funding will be available to fund energy optimization programs in Michigan, plus all Michigan utilities have agreed to coordinate EO Programs with *Michigan Saves* financing.
- It's estimated that for every \$1 spent on energy optimization programming, customers will realize \$3 in avoided energy costs.
- Participating customers save even more.
- Over the next 3 years, energy optimization savings will amount to \$1.2 billion.
- Approximately \$71 million is set aside for low income residential programs, in addition to MPSC LIEE Fund.



# Utility EO Programs

- Though there are 63 different plans, they are all very similar in the kinds of incentives offered to customers.
  - 10 U.P. municipals jointly designed a common program.
  - 30 municipals adopted a common template for the design of their EO programs.
  - 11 utilities have elected the state-selected administrator to run their program.
  - All electric cooperatives except Bayfield jointly designed a common EO program.



# Utility EO Programs

- Residential EO programs are generally offering incentives (rebates or buy-downs) for:
  - Efficient Lighting (CFLs and Energy Star fixtures)
  - Energy Star Appliances
  - HVAC and water heater upgrades
  - Home energy audits & weatherization (comprehensive: insulation, CFLs, thermostats, windows, duct sealing, appliances, etc.)
  - Multi-family building upgrades
  - Appliance recycling (e.g. refrigerators)
  - New construction (Energy Star Homes)
- Will also include educational & some pilot programs



# Utility EO Programs

- Commercial and industrial EO programs include:
  - Prescriptive programs
    - Rebates for common upgrades to lighting, controls, HVAC, chillers, water heating, motors, freezers, ovens, food-prep equipment, clothes washers, ice machines, pipe wrap, etc.
  - Custom programs
    - \$/kWh saved or \$/MCF saved for energy saving improvements to manufacturing processes or facilities not covered under prescriptive programs.
    - Detroit Edison & MichCon and Consumers are both offering \$0.08/kWh and \$4/MCF (subject to terms).



# Utility EO Programs

- Commercial & Industrial EO programs may also include:
  - RFP programs
    - A limited-time program to targeted customers solicited by the utility for larger, bundled projects that may include both prescriptive and custom measures.
  - New Construction
    - Incentives to go above and beyond code compliance
  - Pilot programs
- EO programs do not include: fuel switching, on-site generation, peak shifting, or non-capital expenditures.



# Utility EO Programs

- The following utilities elected to have their EO program run by a state-selected administrator:

Alpena

Bayfield

Daggett

Edison Sault

I & M

Northern States

UP Power

Wisconsin Electric

WPS Corp

MGU

SEMCO

- Programs will be coordinated and will be similar to the others.



# EO Utility Program Contacts:

- **Consumers Energy (gas and electric) -**  
Teri Van Sumeren [tlvansumeren@cmsenergy.com](mailto:tlvansumeren@cmsenergy.com)  
Business Solutions Program:  
[www.consumersenergy.com/eeprograms](http://www.consumersenergy.com/eeprograms)
- **Detroit Edison (electric) & Michigan Consolidated Gas -**  
Mike McNally [mcnallym@dteenergy.com](mailto:mcnallym@dteenergy.com)  
[www.yourenergysavings.com/](http://www.yourenergysavings.com/)
- **Electric Coops -**  
Art Thayer [art.thayer@countrylines.com](mailto:art.thayer@countrylines.com)
- **Electric Municipals –**  
Jim Weeks [jweeks@mpower.org](mailto:jweeks@mpower.org)
- **Other Investor Owned Utilities (gas and electric)**  
Jim Ault [jaault@voyager.net](mailto:jaault@voyager.net)
- **State-Selected EO Administrator -**  
Janet Hanneman [hannemanj@michigan.gov](mailto:hannemanj@michigan.gov)

