

Efficiency UNITED

Independent, Non-Profit EO Administrator
2008 PA 295, Section 91

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ENSURING MICHIGAN'S FUTURE
Affordable and Reliable Energy
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Who We Are

- Michigan Community Action Agency Association (MCAAA)
Independent Non-Profit Third Party Administrator Selected
by the State
- CLEAResult Consulting Great Lakes (CLEAResult)
Prime Implementation Contractor



Why *Efficiency UNITED* Exists

- PA 295 provided an alternative for utilities who do not wish to run their own programs to pay a specified % of their annual retail revenues to an independent energy optimization program administrator selected by the Michigan Public Service Commission.
- MCAAA with its prime implementation contractor, CLEAResult, was selected by the State after a competitive bid.
- *Efficiency UNITED* is the brand name the program operates under.



Investor-Owned

Alpena Power

Indiana Michigan Power

Michigan Gas Utilities

SEMCO Energy

UPPCO

WE Energies

Wisconsin Public (electric & gas)

Xcel Energy (electric and gas)

Municipalities & Coops

Baraga Electric Utility

Bayfield Electric Cooperative

City of Crystal Falls

Daggett Electric

City of Dowagiac

City of Gladstone

City of Harbor Springs

Hillsdale Board of Public Utilities

Village of L'Anse

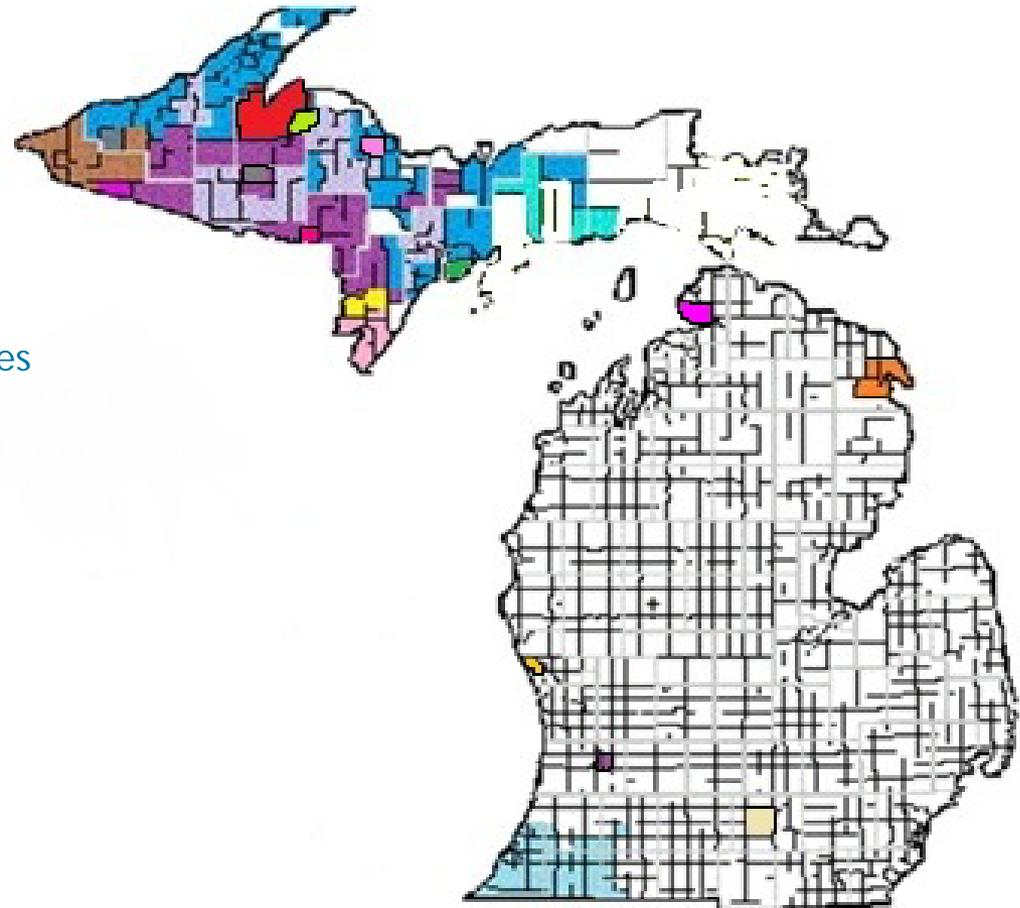
City of Negaunee

City of Norway

City of South Haven

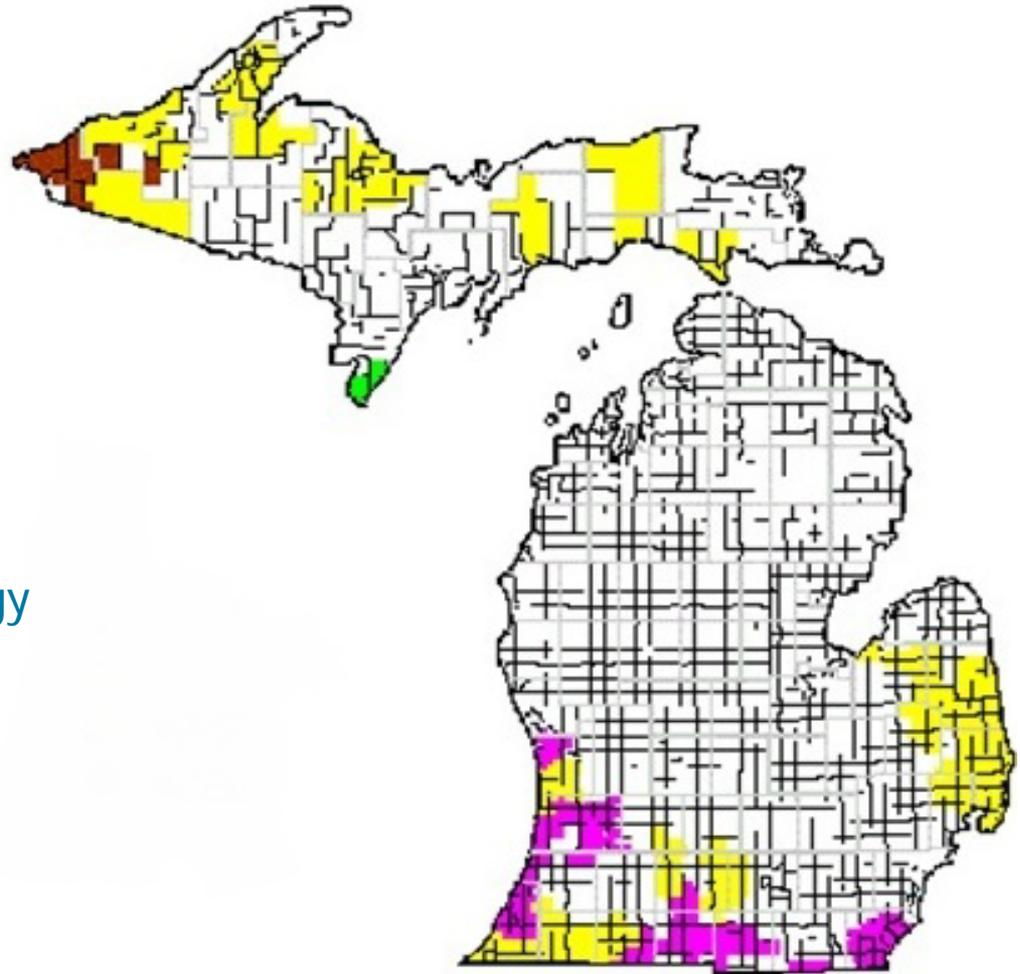
Electric Service Area

-  Alpena
-  Baraga Electric and UPPCO
-  Bayfield, WE and XCEL
-  City of Crystal Falls
-  Daggett Electric
-  City of Dowagiac
-  City of Gladstone
-  City of Harbor Springs
-  Hillsdale Board of Public Utilities
-  Indiana Michigan Power
-  Village of L'Anse
-  City of Negaunee
-  City of Norway
-  City of South Haven
-  UPPCO and Integrys
-  UPPCO
-  UPPCO and WE
-  UPPCO and XCEL
-  WE
-  WE and WPS Integrys
-  WPS
-  XCEL



Natural Gas Service Area

- MGU
- SEMCO Energy
- WPS
- XCEL





2013 Electric and Gas Program Portfolio

- RESIDENTIAL
 - Income Qualified
 - Energy Star
 - Appliance Recycling
 - Home Performance
 - Multifamily
 - Education
 - Pilot
 - Comprehensive
- COMMERCIAL & INDUSTRIAL
 - Prescriptive
 - Custom
 - Education
 - Pilot
 - Comprehensive



Energy Savings Goals Are Being Met 2009-2012 Results

- **Electric**

- Total Goal: 198,313,690 kWh
- Savings Achieved: 211,081,927 kWh
- **Achieved 106% of Goal**

- **Natural Gas**

- Total Goal: 13,988,871 ccf
- Savings Achieved: 15,302,564 ccf
- **Achieved 109% of Goal**



2009/2012 Program Results

Customer Impact

- **Customers served: 131,676**
 - Electric: 81,744
 - Gas: 49,932
- **Residential: 129,729**
 - Income Qualified Electric: 12,793
 - Income Qualified Gas: 11,935
 - Residential Energy Electric: 67,816
 - Residential Energy Gas: 37,185
- **Business/Schools: 1,947**
 - Electric: 1,135
 - Gas: 812



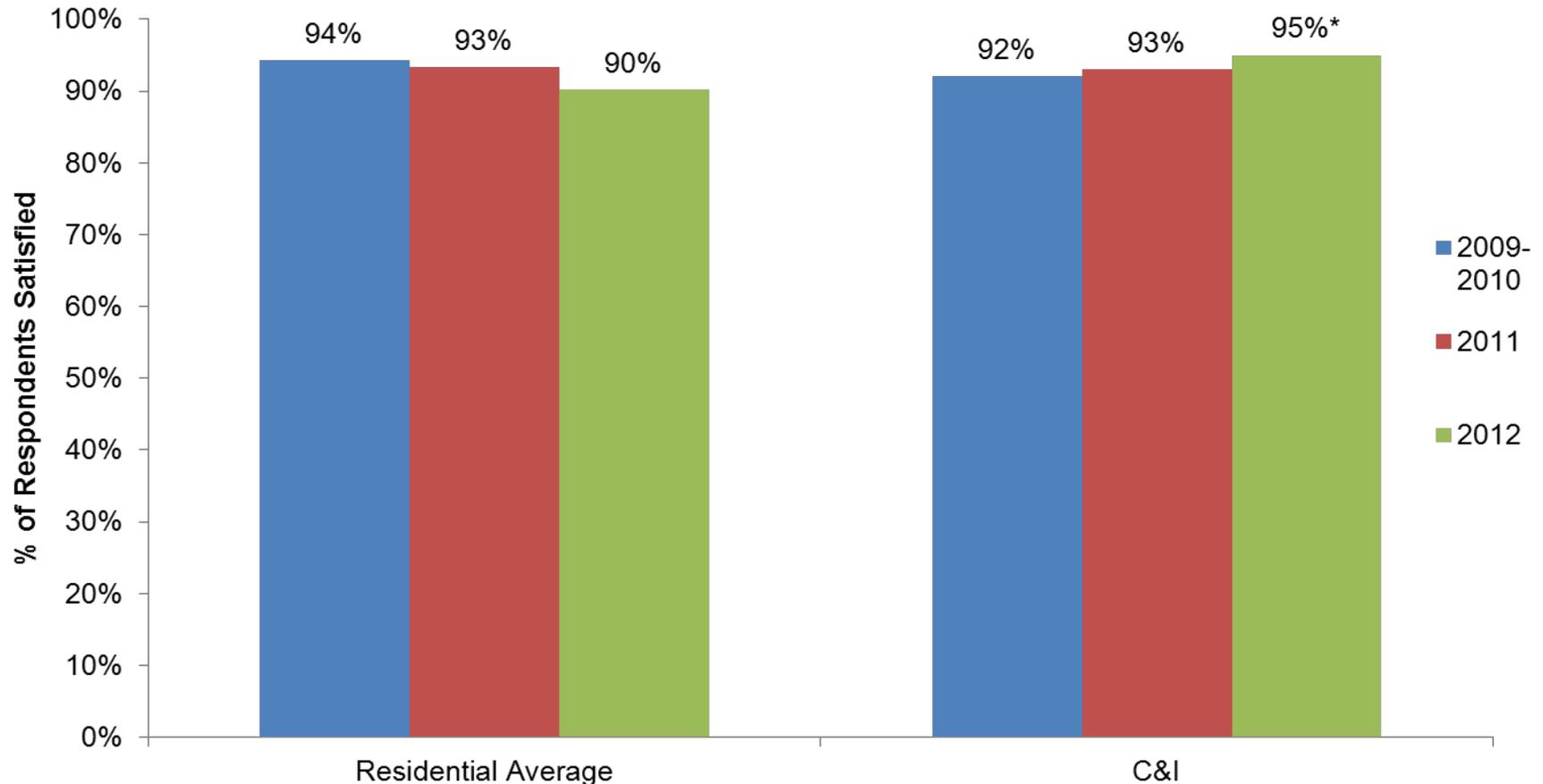
Income Qualified Program Winning Strategies

- Partnership with Community Action Agencies:
 - Existing infrastructure in weatherization
 - Experience leveraging federal, state and utility funding
 - Contact with qualified low-income customers
- Opportunity to weatherize more low-income homes at or below 200% of poverty level

LI CAA PARTICIPANTS 2010 - 2012				
	2010	2011	2012	TOTAL
ELECTRIC CUSTOMERS	611	836	360	1807
GAS CUSTOMERS	481	645	408	1534
TOTAL	1092	1481	768	3341



High Customer Satisfaction

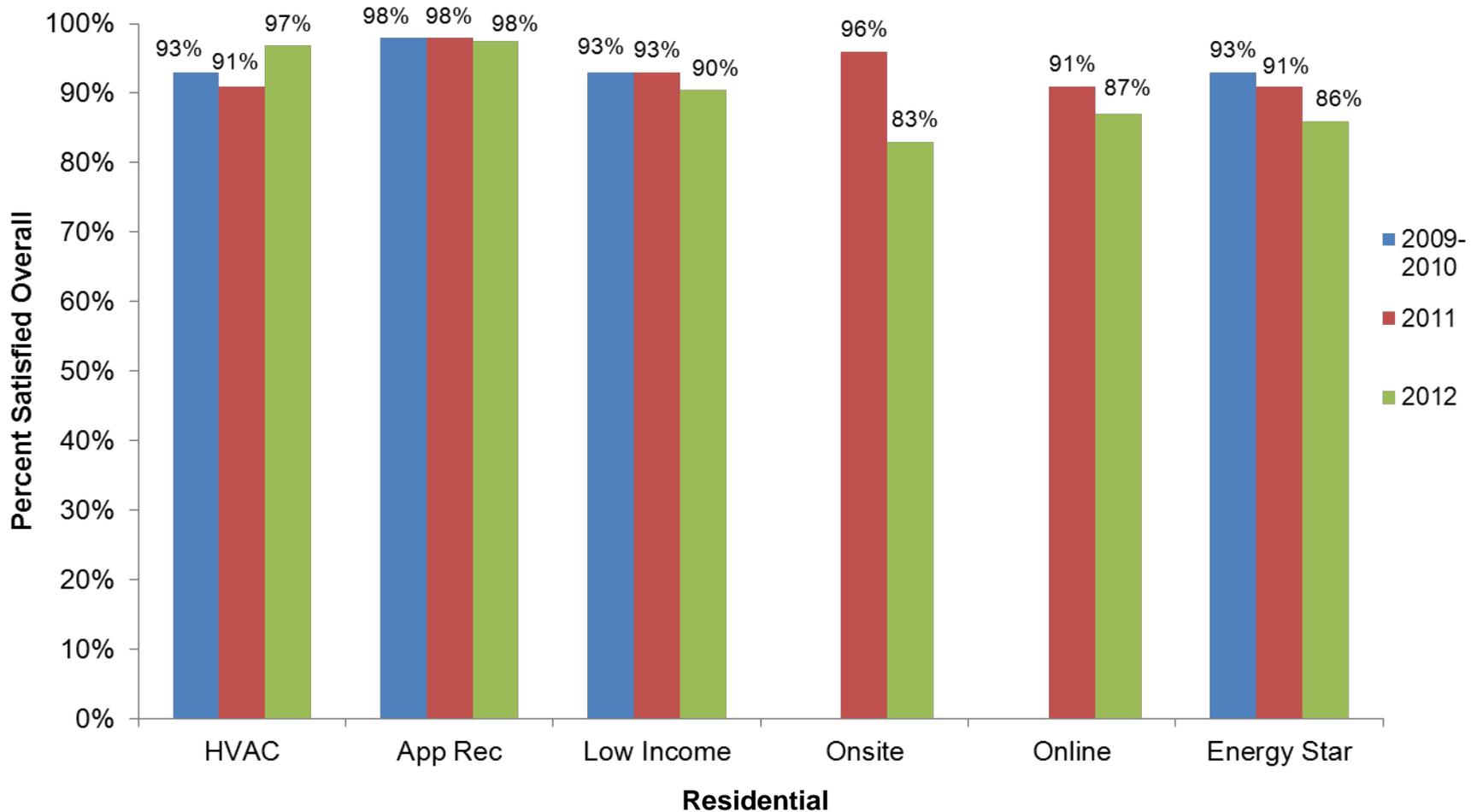


Program Satisfaction Average by Year and Program Type

*C&I 2012 is not a final number. Will be finalized by our evaluation contractor, KEMA.



Residential Satisfaction Detail by Program





Cost Test Results for 2012 Energy Optimization Programs

Every \$1.00 invested in the PA 295 utility energy optimization programs returns \$5.28 in benefits to the utility system and through the utility to the customer in terms of fewer dollars spent on energy. This is a total number including both electric and gas.

- Electric: \$1.00 returns \$5.26
- Gas: \$1.00 returns \$5.29

*Values shown are from the Utility System Resource Cost Test (USRCT). 2012 data is not fully verified as of 2/14/13. Final verified numbers will be provided in written testimony to be submitted at a later date.



Are Targets Achievable beyond 2015?

- Statewide Potential Study would be advisable to assess the level of energy efficiency savings still untapped. Best guess is that potential still available is very high.
- Modify energy savings targets to give credit for lifecycle savings of measures and reduce the importance placed on 1st year energy savings per dollar spent.
 - To date, credit has only been given for first year savings regardless of measure life.
 - This system is not a good fit for longer lived measures such as HVAC, insulation, windows and other building shell improvements.
- In 2013, *Efficiency UNITED* will test different program designs to see what will drive installation of longer lifecycle and/or a more comprehensive suite of measures. (Deep Savings)
 - Measure life greater than 10 years
 - Multiple end uses targeted



Comprehensive Measures Pilot

- “DEEP SAVINGS”
 - ❖ Measures have greater than 10 year life
 - ❖ More capital intensive
 - ❖ Higher cash incentives
 - ❖ Interest rate buy-downs: *Michigan Saves*
 - ❖ Matching funds for:
 - Energy audits
 - Engineering analysis
 - Simulation modeling
- MULTIPLE End Uses



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