Utility questions related to Energy Optimization plan filing and Efficiency United

1. Please explain the extent of the MPSC review of EO Annual Reports from the providers, and what the results are used for.
    a. Compliance with the Act.
    b. Targets and Caps
    c. Tracking: Spending & Recovery
    d. Assisting the Utility
    e. Determining trends

2. What are the penalties – financial or otherwise – if a provider has not achieved its annual energy (kWh) goals outlined in its EO plan? Or has not achieved cost-effectiveness?

    a. Muni & Member Regulated: Sec. 53 (6) Upon receipt of a complaint by any customer of a municipally-owned electric utility or upon the commission's own motion, the commission may review allegations that the municipally-owned electric utility has violated this subpart or an order issued or rule promulgated under this subpart. If the commission finds, after notice and hearing, that a municipally-owned electric utility has violated this subpart or an order issued or rule promulgated under this subpart, the commission shall advise the attorney general. The attorney general may commence a civil action for injunctive relief against the municipally-owned electric utility in the circuit court for the circuit in which the principal office of the municipally-owned electric utility is located.

    b. Sec. 53. (1) If an electric provider whose rates are regulated by the commission fails to meet a renewable energy *(EO)* credit standard by the applicable deadline, subject to any extensions under section 31, both of the following apply: (a) The electric provider shall purchase sufficient renewable energy credits necessary to meet the renewable energy *(EO)* credit standard. (b) The electric provider shall not recover from its ratepayers the cost of purchasing renewable energy credits under subdivision (a) if the commission finds that the electric provider did not make a good faith effort to meet the renewable energy *(EO)* standard, subject to any extensions under section 31.

3. If a provider is interested in joining Efficiency United starting in 2012, what does the MPSC need submitted by the September 1, 2011 filing date?

4. How are utilities invoiced for participation in Efficiency United? Is it monthly, quarterly, annually? Is it for an amount equivalent to the maximum annual spending allowed by 2008 PA 295?
    a. Monthly

5. What is the maximum amount (in % of utility surcharges) that Efficiency United can use for program administration? Is it limited to 3% similar to the utility-administered programs?
    a. Initially based on budget approved in RFP process
    b. Wrapped up in the cost effectiveness calculation

6. If a utility is participating in Efficiency United, and their annual energy optimization (kWh) goal is achieved early, or is achieved with less funding than the spending cap, what happens? Is there a refund to the utility (customers)? Does the program continue until excess funding is gone? Does the State or Efficiency United keep the funding?
    a. There is a carry forward to the next year from the first year. PA 295 Sec. 91(5)
        i. Beyond the next/following year there are 2 options
            1. Additional carry forward
            2. Refund
        ii. Neither the State or Efficiency United keeps excess funding.

7. If a utility is participating in Efficiency United, and the State contractor does not achieve their annual energy optimization (kWh) goal what happens? Is there a refund to the utility (customers)?

    If due to contract violation, or lack of good faith effort, the commission may begin the RFP process for selecting a new contractor. Otherwise, the commission will work with the contractor to improve future programming, set more realistic targets, or reallocate program budget.

8. What guarantees are there that a utility's funds contributed to Efficiency United will be entirely spent on programs in that utility's service territory?

    There is a third party financial audit. There is a third party program evaluation.

9. Is there any risk that funds submitted to the Efficiency United can be reallocated by the State for other purposes (e.g., budget deficits)?

    No. There is no risk. The funds are transferred directly from utilities to Efficiency United.