

EO Collaborative  
Program Design & Implementation Workgroup  
10-14-09  
9:00am – 12:00pm

NOTES:

**Introductions** – notes that collaboration among workgroup members is the key to success.

**Co-Chair Introduction:** Emmett Romine DTE/ Estimated (28) public people in attendance.

**Dave explained “proposed purpose” of the group.**

-no objections.

**Rob notes that steering committee** will meet quarterly but the other (3) groups can meet as often as they would like (decided at the end of the meetings). It is very important to make sure all (3) groups are working together. Every EO provider, intervener, and Commission Staff has an automatic seat on the steering committee. Any organization or individual may join “by invitation only” from the commission – let the commission know if you feel like you would be an asset to the steering committee.

**PA 295 Rule Making:** Rob notes that the commission has been diligently working on rule making for PA 295, and has submitted draft rules to SOAHR to initiate the final process. As soon as the commission receives rules back from SOAHR the commission will attach it to an order and set a hearing date. The rules will be open for public comment. The rules contain a net to gross ratio which is a discount factor from the MEMD (statewide database of savings from specific energy efficiency measures).

The rulemaking process typically takes six months. Therefore it is very possible that the rules will not be final until after the providers’ first reconciliation at the end of March. Providers should use the temporary order for the first reconciliation.

Rob: Rick Morgan notes that the values of the MEMD are technical potential.

**Dave explained “proposed goals”:**

- Notes that this is simply an advisory board.
- Comment that it would be nice to hear from members of the public.
- Question about if the steering committee is simply an advisory group also? Steering committee can integrate what they hear from each group and guide discussion. DTE notes that the collaborative is a great way to informally “work things out” between the commission and providers, avoiding a formal hearing.
  
- Hopefully the group can come up with a template for monthly or quarterly reports that are submitted to the commission (how much money has been allocated/spent for each program – etc.)
- Perhaps the net to gross ratio should be moved to the evaluation workgroup?

- Establish a process for including new technology and measures to the MEMD.
- Integrate net to gross ratios developed from the EWG.
- Update and refine program offerings based upon what was found from utilities pilot programs. Consider new technologies for innovative pilots and program improvements. (Example: Low flow toilets can be in the MEMD – but doesn't mean that providers need to have a program for this measure).

#### PRIORITY OF GOALS

- Coordinate program delivery between utilities
- A few of these goals run into the goals/tasks of the Evaluation workgroup.
- Update and refine recommended program offerings and MEMD based upon MI experiences.
- Should MEMD and net to gross be separate?
- Did the MEMD take into consideration where for example light bulbs were installed (closet vs. kitchen).
- The evaluation group can help “feed” this group – after the evaluation group gets results they can let this group know what works, what doesn't work and ways to change the program designs.
- It would also be good to get providers together and see what customer program education/informational tools worked and what didn't work.
- Public is welcome to join these groups but do they know that?

(BREAK) 10:30am

UPDATE FROM PROVIDERS ON THEIR PROGRAMS:

#### **DTE UPDATE:**

##### **Residential:**

- Appliance recycling: going very well and very successful – JACO did a very good job with this program.
- Multi-family: more complicated and hasn't taken off as quickly as they would like. A direct install – contractors make agreement with landlord to install various EE measures and they pay a significant rebate for the measure. They are going to start being more aggressive with this program.
- Energy Star Program: Over 400,000 CFL bulbs registered to this program. They feel very good about the progress of this. They just started to launch appliance rebate programs.
  - They get a detailed report from each retailer regarding the rebates, what was sold and how much. There is no way to tell if it was truly their customer or not. The tracking administration of \$1.00 rebate checks is not cost effective. They have not started the rebates for appliances, low flow shower heads, aerators.

- HVAC: Right now they have more applications than money for the furnaces. They have found that the federal tax credit and manufacturer incentives are really driving the high efficiency furnace sales, more than the state utility rebates.
- If someone was going to buy a furnace anyway for the federal tax credit and the utility rebate was just a bonus – is this considered a “free rider” or can the utility count this? This will be discussed by the EWG.
- Contractor commented: the tax incentives were available last year also, but this year has been far more successful in his experience since the state rebates came in the picture.
- Audit Weatherization – Online tool. E-mail distribution list generated huge response for the online audit tool. It takes 30-40 minutes and if they complete the survey they are sent a kit with small EE measures included (about \$25.00 worth).
  - Are you going through contractors? Or a business with raters? --- They are approaching it jointly with an auditor/contractor combination so the auditor has a reason to try and sell the measure.
  - The audit is a sliding scale – 3 levels. 1<sup>st</sup> level is \$25.00 and get a small kit (just a house walk through), \$200.00 RESNET, \$300.00 HERS rating. Give them half the rebate for conducting audit and give other half if they implement the measure recommended. This program is just starting to get traction – taking a bit longer for start up.
- Low Income: Stimulus money is “interesting” to compete with. A lot more work to be done on their end – having challenges with this. Doing research and figuring out some new ideas.

**Commercial and Industrial:**

- Prescriptive program (light fixture): A company can come in and apply for a rebate and have a description of their plan. They go out and inspect the property and if they meet standards they get a check.
- Gas: custom program (uniquely designed and one of a kind type of application...incubator at a poultry farm for example): this program is over flowing.
  - Prescriptive program: isn't moving as fast. Customer designs the custom program and brings it to DTE. Sometimes DTE recommends custom measures but it is mostly up to the customer. Smaller C & I customers don't have the resources to concentrate on energy issues and they are working on incentives to help these customers utilize their programs.
- COMMENT: CE: Please keep in mind that we are just starting out with our programs, it is very tempting to jump into it and launch everything, but it just isn't possible. We are going to learn along the way and our customers are going to become more informed with what we are doing and what they can be involved with. DTE/Consumers/etc. have similar implementation contractors and they are sharing ideas amongst the companies and has been very helpful for each company.

## **CONSUMERS ENERGY UPDATE:**

- CE is training/informing their trade allies and these trade allies are then informing the public and approaching potential customers. This is working very well, especially from a lighting perspective.

### Residential:

- CFL rebate programs: Just added Sam's club –along with about 5 others. In September they just started wash machines, low flow shower heads, aerators. They have about 100 applications for this, mostly washing machines.
- HVAC/Water Heating: Seeing very strong demand, very motivated from tax credits and trade allies.
- Low Income: On target to meet year end savings goals for both gas and electric. Working with partners to make sure this goal is for sure met.
- Multifamily: running since end of August – installed measures directly. Launched entire portfolio at the end of July. They didn't really train their allies in advertising.
- Appliance Recycling: They also use JACO, all customers are very interested and they anticipate they will be fully subscribed to this program by the end of the year. They haven't done any e-mail blasts but they have had a really strong response to billing inserts unlike DTE had.
  - COMMENT: It is important to try and prevent the stopping and starting of programs. That is why it is important that savings carry over to the next year.
    - CE: They admit they may have over stimulated the market for some programs and will keep this in mind for future years. It is a journey to finding the right balance and they learn from each year which programs to stimulate and which ones to ease off.
  - CE COMMENT: They are having trouble because they are bumping up against the spending limit set forth in the legislation. The law has a hard cap and they are nervous about exceeding that. The Commission can approve over/under spending of those caps – but the provider has to come in and get a Commission order. Rob will check into if it can be an Ex Parte order instead? We can research that issue and discuss at the next meeting. They are going to stay on the conservative side until more things are determined and they have more information. They have many “masters” that they have to report to, so to be safe for now are being conservative.
  - DTE COMMENT: There cannot be more than a 20% shift in funds from program to program even if the overall budget is far from met.
    - QUESTION: Is there a process if you want to shift more than the 20% if a certain program isn't working and another one is very successful? Utilities said they haven't even considered this yet, because they were under the impression it had to be done with a Commission order.
- Small Commercial Direct Install Program: Custom and prescriptive have been combined. Prescriptive has been more successful. They strongly recommend that all customers reserve their funds. Custom is basically a low income program for commercial. This is limited to less than 1 MW. This basically subsidizes for them almost 100% of some measures.
- They anticipate they will meet their target.

**COOPS:** “Ditto” to DTE.

**MUNIS:** A lot fewer programs. There are 20 some municipals under the same contractor as the LBWL. They are oversubscribed in prescriptive programs. They are trying to figure out who they can move to 2010. Refrigerator program is doing well, not sure if they will meet goals though. The CFL program has already met goals.

**\*\*\*NEXT MEETING: November 17 (FIRST CHOICE) : November 20 (SECOND CHOICE.**

- Talk about coordination between providers – providers brainstorm which areas they are already coordinating on and what they can do in the future.
- Contractors: Also give your input where coordination would benefit you.
- You can go on SOAHR website for PA 295 DRAFT rules.