

**REPORT TO THE LEGISLATURE**  
**Pursuant to P.A. 200 of 2012**  
**Section 936**  
**Energy Saving Initiative**

Sec. 936. The Department shall contract with third-party providers to complete an assessment of energy utilization at each state correctional facility. In particular, the Department shall endeavor to identify and implement energy-saving initiatives in the various correctional facilities. By April 1, the Department shall provide the members of the Senate and House appropriations subcommittees on corrections, the Senate and House fiscal agencies, the State Budget Director, and the legislative corrections ombudsman with a report on these efforts.

Former Energy Performance Contracts (EPC)

As reported previously, during calendar year 2010 the Michigan Department of Corrections (MDOC) piloted EPC's at three correctional facilities beginning with a full Investment Grade Audit of all utility utilization. These full energy assessments were finalized late summer 2010 for Kinross Correctional Facility (KCF), G. Robert Cotton Correctional Facility (JCF) and Parnall Correctional Facility (SMT). Contracts for professional services and performance contractors were established for these sites late 2010. Funding provided from lease agreements for Energy Performance Projects is paid through savings realized in the MDOC Fuel and Utility Account. This allows for much needed facility infrastructure improvements and security enhancements while creating energy savings.

These three projects were completed during calendar year 2012 and now are reaching the one year Measurement and Verification (M&V) Period for these three projects. An important requirement on behalf of the Energy Service Companies (ESCO's) is an annual reporting requirement for the guaranteed savings.

The Year One Energy Conservation Reports from Johnson Controls for the G. Robert Cotton Correctional Facility has been received. Also the First and Second Quarter Reports for Kinross Correctional Facility from Chevron have been received. Both reports show exceeded guaranteed savings for all Energy Conservation Measures (ECM's).

For JCF a total annual savings of 649,058 kWh of electricity totaling \$48,679.00 is reported. Natural Gas saved at JCF totaled 5,551 MMBtu's for an annual savings of \$47,735.00. Water saved equaled 26,055 kGals for the year at a savings of \$91,713.00. Total utility savings for the first year period equals \$188,127.00.

Since KCF was completed later than JCF, the first two quarterly reports for all utilities (April 2012 – September 2012) are only available for this report. The reports indicate electrical savings totaling 627,376 kWh for a total savings of \$54,373.00. Total natural gas saved for this period equals 77,995 CCF or \$52,782.00. Water and sewer saved equaled 14,352 kGal for a total savings of \$83,197.00. Total overall savings for the first two quarters of year one equals \$190,352.00.

### Upcoming Energy Performance Contracts (EPC)

The MDOC recently obtained a third-party assessment of Energy Utilization (Technical Energy Assessment) for the Ionia facilities which includes the Ionia Correctional Facility (ICF), Richard Handlon Correctional Facility (MTU), Michigan Reformatory (RMI), Bellamy Creek Correctional Facility (IBC), the Bellamy Creek Dormitory as well as the Ionia Central Power Plant. The objective is to proceed with a full scale Energy Performance Project within the next few months. The MDOC Physical Plant Division is working with DTMB, Design and Construction on bid documents. The bidding of a Design Build Contract with Guaranteed Savings and Measurement and Verification components will be the next step for this Project.

The early stages of a third-party assessment of energy utilization (Technical Energy Assessment) and subsequent Energy Performance Project for the Jackson facilities is taking place. The facilities involved include Charles E. Egeler Correctional Facility (RGC), Parnall Correctional Facility (SMT), Cooper Street Correctional Facility (JCS) and the Jackson Central Power Plant. The MDOC Physical Plant Division is currently working with DTMB, Design and Construction on this effort with the objective to award this project to a qualified ESCO soon.

### Matching Funds Projects

Some years ago, the DOC Physical Plant Division established the matching funds program. The concept is intended to encourage facility's to share in the cost for energy conservation measures. Facility Physical Plant staff do assessments of energy utilization with assistance from their utility provider and various wholesale material vendors. Facilities submit project proposals for energy conservation projects. If the criteria is met as viable energy saving measures, funding is provided for half of the project material cost. After completion of the project, verification of project completion is performed by the Physical Plant Division. Funds are only transferred to the facilities CSS&M account if the project is successfully completed before the implemented deadline.

A total of 15 Correctional Facilities were approved for matching funds for a total of 19 energy conservation projects this past fiscal year. The projects accomplished during FY 2011-12 include lighting/electrical efficiencies, natural gas reduction measures as well as water and sewer conservation projects. Funds were reimbursed to all correctional facilities since all successfully completed their proposed projects before years end. For FY 2012-13 a total of 14 correctional facilities were approved for matching funds for a total of 15 energy conservation projects. These projects are to be finalized and approved before the end of the current fiscal year before receiving matching funds.