

EWR Low Income Workgroup

April 4, 2019

Agenda

9:00 – 9:20	Gather and Introductions Open Floor Updates and Review
9:20 – 10:05	DTE Energy, EWR Plan Review and Look Forward
10:05 – 10:15	Break
10:15 – 11:00	SEMCO Energy Gas Company, EWR Plan Review And Look Forward Avrie Dunsmore, SEMCO Energy Gas Company
11:00 – 12:00	Topic Groups Breakout
12:00	Wrap Up, Announcements Adjourn



DTE Low Income Plan Preview

David Delind

Principal Marketing Specialist, Energy Waste Reduction

4/4/2019

DTE's Commitment to Energy Waste Reduction

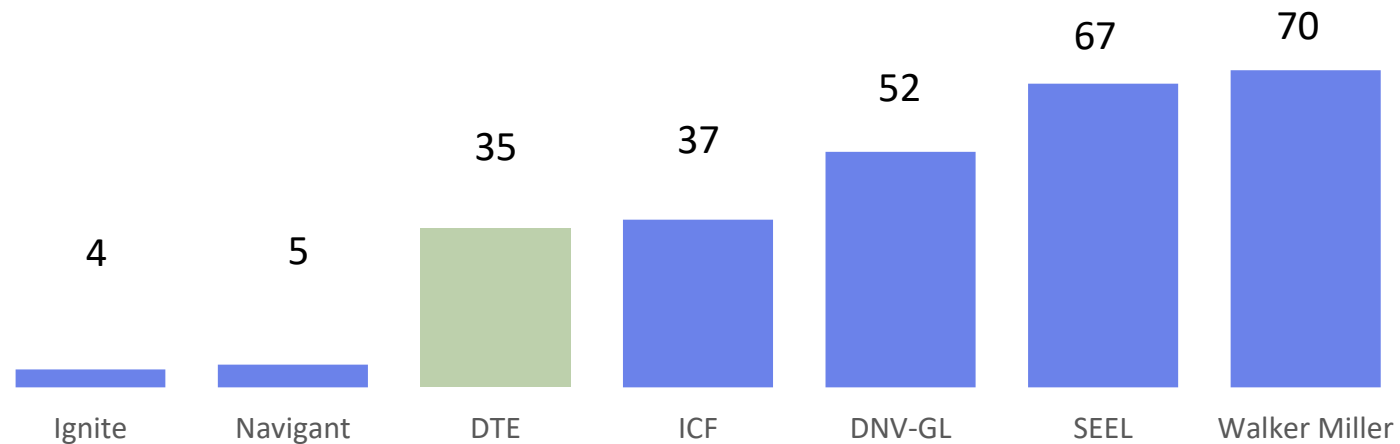
- EWR programs help customers save energy and money by:
 - Rewarding and educating customers about smart energy use
 - Providing energy efficiency assistance to low-income residents
 - Providing tools that give customers more control
 - Making it simple for customers to participate
- EWR programs help foster a strong regulatory climate and promote environmental stewardship
 - Complying with and exceeding multiple legislative objectives (PA-342)
 - Working closely with stakeholders to advance related agendas
 - Supporting Michigan's economy and creating jobs
 - Supporting carbon reduction efforts and community initiatives



Energy Waste Reduction Economic Development Benefits

- More than 75 percent of EWR dollars go to Michigan-based businesses
- Throughout the state of Michigan, over 2,400 contractors have actively participated with utilities in various EWR Programs
- In 2018, EWR Programs supported 270 Michigan-based jobs created by the ICs under contract with DTE, summarized in the table below:

Michigan Based Jobs Created by DTE EWR Programs



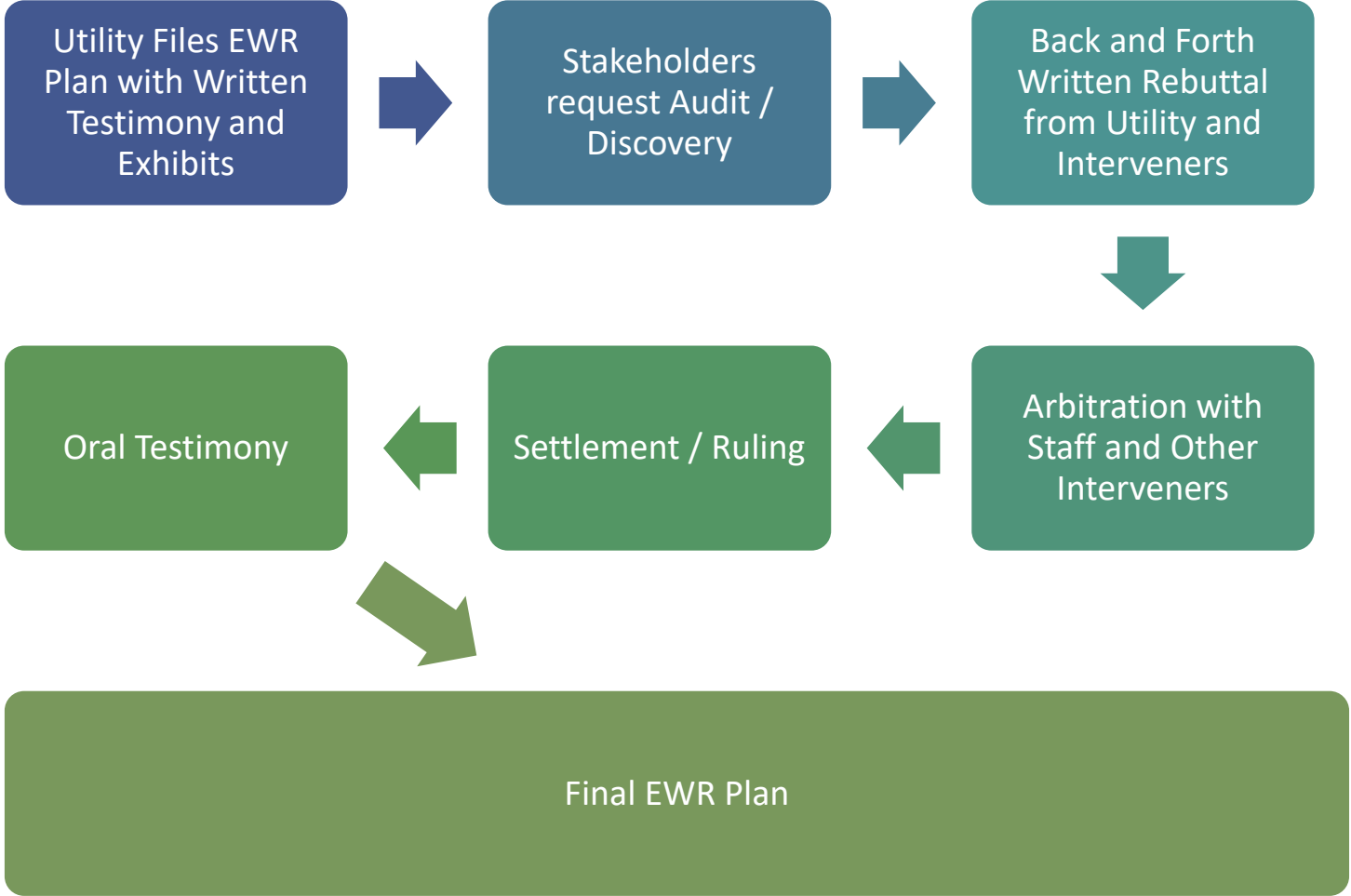
Low Income Summary

- DTE continues to provide increasing support for Low-Income Programs
 - This value is carefully optimized against overall portfolio needs
 - Historical spending shows clear upward trends in the program focus
- Multiple avenues allow for maximum program penetration within the Low-Income Community
- The program(s) operate through contractors, community agencies, government agencies and various non profits

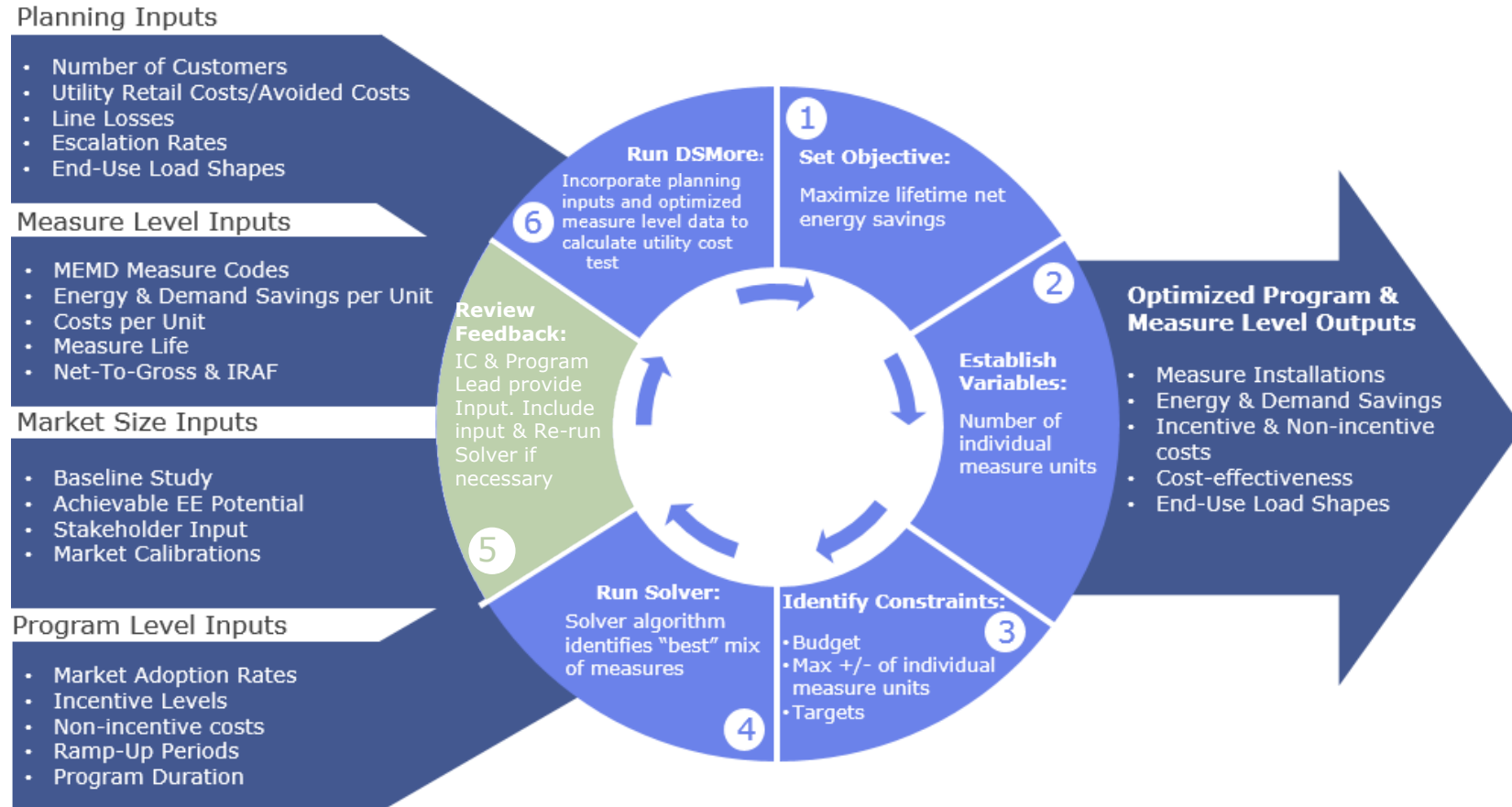
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- Program Goal Setting Overview
- Energy Efficiency Assistance
- Low Income Multifamily
- Low Income Home Energy Consultation
- Revolving Loan Fund Program

Energy Waste Reduction Filing Process

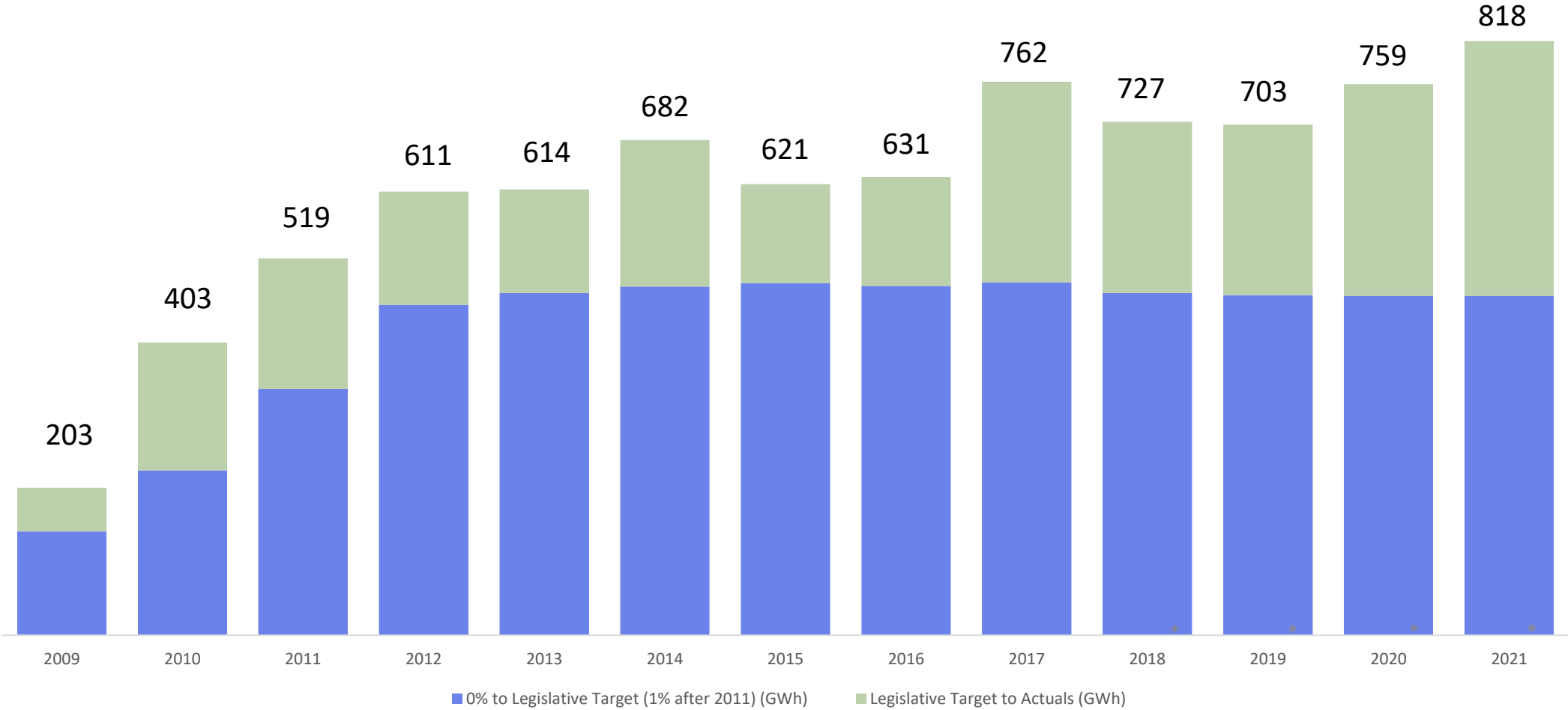


Energy Waste Reduction Portfolio Optimization



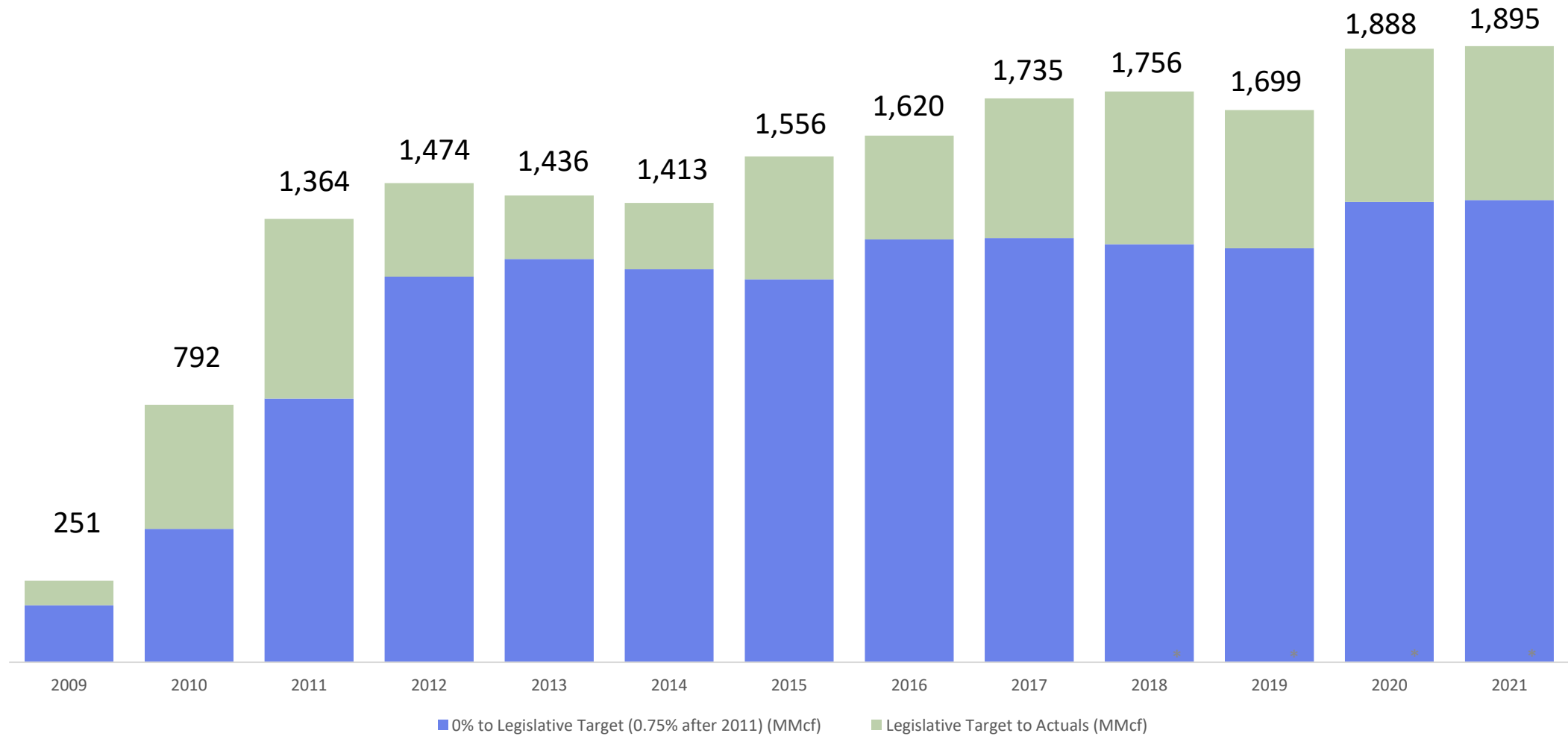
- Best-Practice research indicates utilities are more actively managing and optimizing their portfolio spending through more sophisticated tools and optimizing budgets and savings in an effort to do more with less
- The EWR modeling tool uses linear programming to identify the most optimal mix of program measures and maximizes the overall savings/ budget – subject to actual operational limitations

Electric Energy Waste Reduction Savings 2009 - 2021



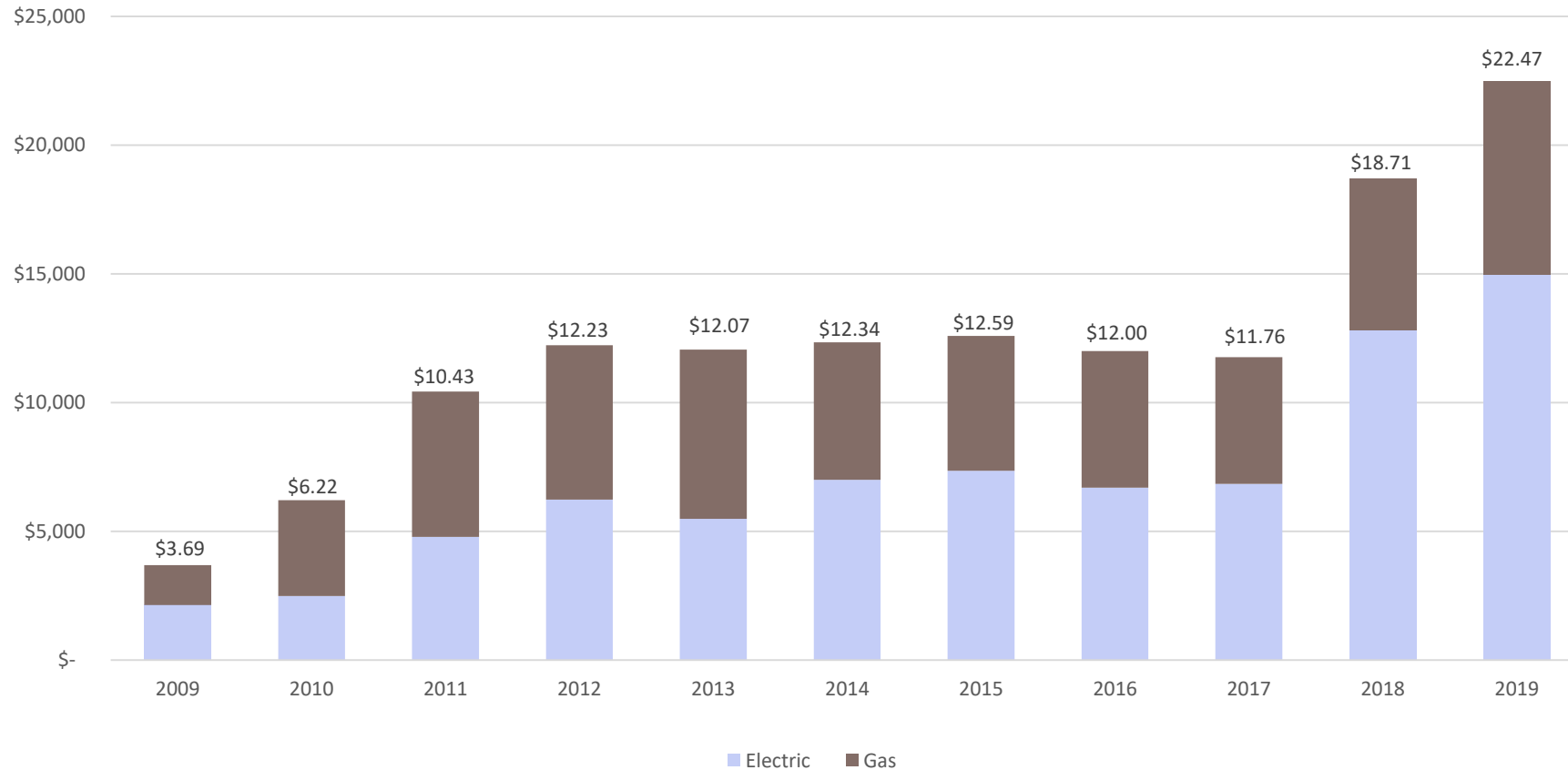
*Projected energy waste reduction savings

Gas Energy Waste Reduction Savings 2009 - 2021



*Projected energy waste reduction savings

Historic and Projected Low-Income Spend (000s)



Data Source: various DTE Energy historical EO and EWR filings, EWR plan filings and settlements (cases U-16289; U-16358; U-16290; U-16359; U-16737; U-16751; U-17282; U-17288; U-17602; U-17608; U-17832; U-17841; U-18023; U-18024; U-18332; U-18338; U-20029; U-20035; U-18262; U-18268)

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Energy Efficiency Assistance

- Customers 200% or below of federal poverty guidelines
- Program works through agencies and trade allies to deliver no-cost, deep savings measures
- Recent Expansions and Partnerships
 - The Heat And Warmth fund (THAW)
 - Habitat for Humanity Michigan
 - Jewish Association for Residential Care (JARC)
 - Friends and Neighbors (FAN)
 - United Community Housing Coalition (UCHC)
- Measures may include: Furnace repair & replacement, refrigerator replacement, weatherization, insulation (various), air sealing, water heater replacement, water aerators and pipe wrap
- Health and Safety

Energy Efficiency Assistance Partners



Macomb
Community
Action



OFFICE OF COMMUNITY &
ECONOMIC DEVELOPMENT
Collaborative solutions for a promising future

Wayne Housing Commission



Wayne Metropolitan
Community Action Agency



A Community Action Agency



HOME
REPAIR
SERVICES

RESOURCES FOR
HOMEOWNERS

ICCF

INNER CITY CHRISTIAN FEDERATION



SEEDS
of PROMISE



MATRIX
HUMAN SERVICES

"Touching Hearts, Changing Lives"
founded 1906

Michigan Community
ACTION
Helping People. Changing Lives.

Human
development
commission
Community Action Agency



CITY OF
GRAND
RAPIDS



CLEAR
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Creating Healthy Homes for Children and Families.



Habitat
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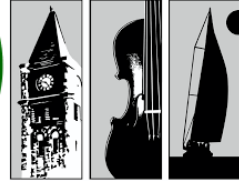


DETROITERS WORKING FOR
ENVIRONMENTAL JUSTICE

DICSA
A Community Action Agency



MUSKEGON



West Michigan's Shoreline City
www.shorelinecity.com



DTE

ROOSEVELT PARK
NEIGHBORHOOD ASSOCIATION

THAW THE HEAT AND
WARMTH FUND
Keeping Families Safe and Warm Since 1985

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Low Income Multifamily

Five Definitions of Low Income

- Participation in an affordable housing program. Automatic qualification for any property that can provide evidence of participation in a federal, state, or local affordable housing program
- Location in a low-income Qualified Census Tract.
- Rent roll documentation. Submission of rent rolls documenting that the average rents charged by a particular property are affordable to households meeting HUD's definition of low-income, which is 80% of Area Median Income.
- Tenant income information. Submission of tenant income information showing that at least 50% of units are rented to households meeting one of the following criteria:
 - At or below 200% of the Federal Poverty Level
 - At or below 80% of Area Median Income
- Participation in a Weatherization Assistance Program.

Low Income Multifamily

Program Design

- In 2018, the Multifamily Program conducted a Low-Income Pilot Program. The pilot identified opportunities to redesign the program for 2019. Changes include:
 - ✓ Substantially increasing incentives on in unit and common area projects.
 - ✓ Using a concierge approach with customers to garner deeper savings, e.g., every common area project must have a Level 1 assessment.
 - ✓ New in-unit direct install measure covered at 100% of cost including refrigerator replacement, window air conditioners and furnace tune-ups.

- Measures include:

In-Unit examples

LED light bulbs
Low flow showerheads
Low flow faucet aerators
Pipe wrap
Programmable thermostats
LED night lights

Power Strips
Furnace tune-ups
Boiler tune-ups
Refrigerator replacements
LED exit signs
Furnace replacements

Common Area examples

Windows
Boiler Replacement
LED parking lot lights
LED Hallway lighting
Insulation
Lighting controls

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Low Income Home Energy Consultation (HEC)

Program Design

- The HEC program is designed as the start of a customer's energy efficiency journey. A walkthrough of the customer's home is done to identify what direct install measures can be installed and where the customer could garner additional savings. After the HEC is complete, the customer is presented with a home energy profile that lists what measures have been installed and the energy saved, areas of the home that need improvement and recommendations of other DTE programs the customer can participate in.
- Customers that live in Qualified Census Tracts or customers that are participating in DTE low income programs are qualified as low income.
- DTE partners with the American Red Cross to provide smoke alarms to customers that do not have them. DTE also partners with Alliance for Deaf Services to accommodate deaf and hard of hearing customers.
- Measure installed include LED light bulbs and night lights, low-flow faucet aerators and shower heads, pipe wrap and programmable thermostats. Power strips will be introduced into the program mid-year.

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Revolving Loan Fund Program (RFL)

- Partnership with Michigan Saves to help customers described as part of the Asset Limited Income Constrained Employed (A.L.I.C.E.) community commonly referred to as “working poor”
- RFL provides a grant & loan combination, where the loan repayment is equal to the value of energy saved from measures installed so participants are cashflow neutral
- Who qualifies:
 - >200% Federal Poverty Limit (FPL) to <250% FPL – develop an customized grant/loan split that allows customer to make major energy efficiency upgrades and be annually cash flow neutral between the energy savings and loan payment
 - >250% FPL to <300% FLP – provide a grant/loan split of 50% each, these generous incentives will hopefully enable these customers to also make major energy efficiency upgrades and stay current on their loan payment

Break

Presentation for the Low-Income EWR Workgroup

SEMCO ENERGY Gas Company

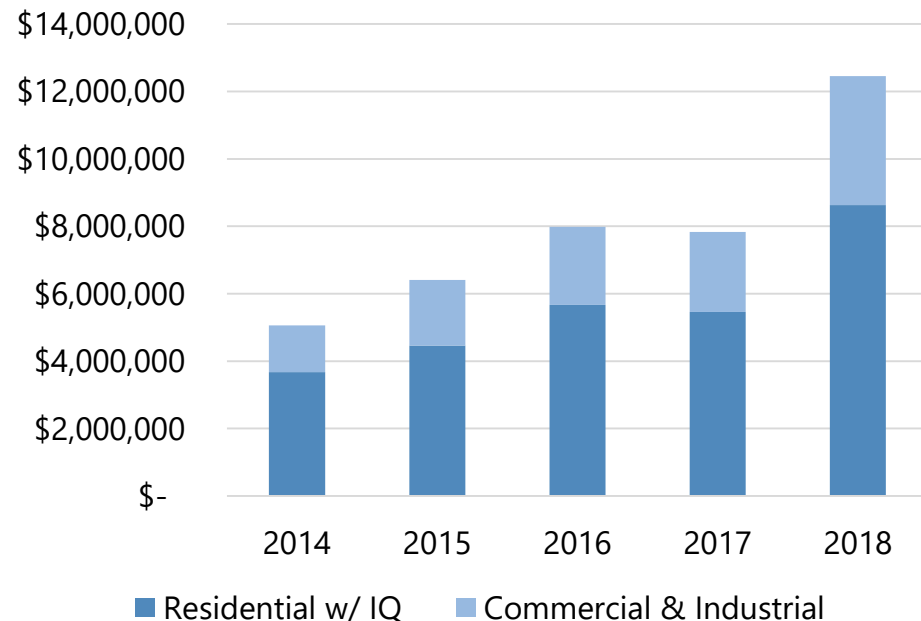
SEMCO

Energy Waste Reduction

 *Save Energy. Save Money.*

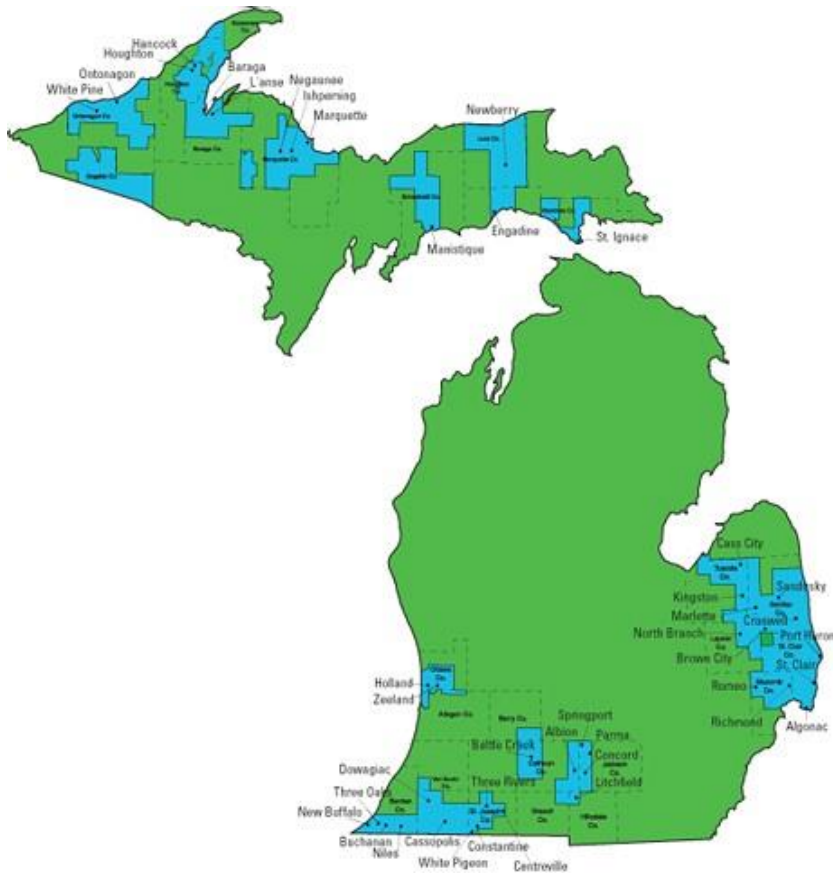
SEMCO's Energy Waste Reduction (EWR) Program

EO/EWR History of Program Expenditures



- **Mission:** To reduce energy waste by incentivizing customers to invest in energy saving measures and become educated in energy conservation.
- SEMCO ENERGY Gas Company Partners with
 - CLEAResult (Efficiency United)
 - Michigan Community Action Agency
 - Blue Water Community Action Agency (since 2016)
 - National Energy Foundation

SEMCO's Service Territory



- SEMCO's EWR programs must be designed to be successful in a primarily rural territory, comprised primarily of single-family and manufactured homes.
- Measure focus on heating and water heating systems along with envelope measures. SEMCO is a gas-only utility, therefore, options are limited.
- Program design includes increased rebates in residential and commercial and industrial programs and full pay programs for Income-Qualified customers.

SEMCO LI EWR Program Overview



No cost to participants



Collaboration with Monthly Assistance Program/MEAP and targeted LIHEAP/HHC recipients



Focus on premium energy-efficient equipment, and home envelope upgrades with emphasis on ensuring occupant health.



Collaboration with Local CAAs and Michigan's Weatherization Assistance Program (WAP)



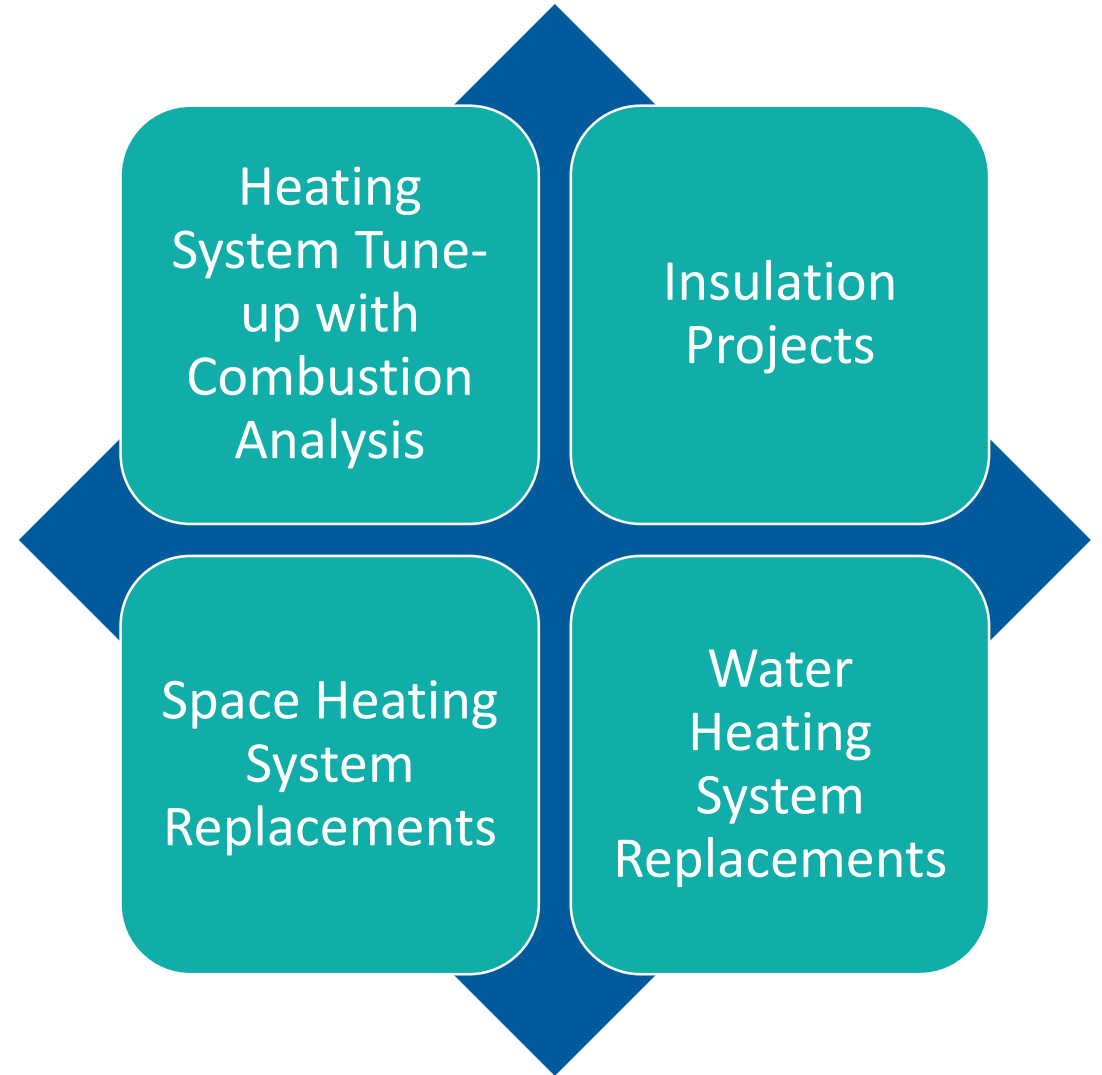
Collaboration with Electric Utility Providers

Single Family Measure Mix

- In-home Home Energy Assessment with a personalized report containing tips to reduce energy waste
- Heating System Tune-up with Combustion Analysis
- Insulation Projects
 - Attic, Rim Joist, Crawlspace
- Space & Water Heating System Replacements
- Manufactured Home Initiative



Multifamily Measure Mix



EWR & MEAP Collaboration

Between 2017 & 2018 the Program completed over 200 HEAs that led to the following services:

2017 EWR & MEAP Collaboration - Premium Services

- 34 Attic & Rim Joist Insulation Services
- 3 Furnace Replacements

2018 EWR & MEAP Collaboration - Premium Services

- 18 Attic & Rim Joist Insulation Services
- 11 Furnace Replacements
- 6 Super Efficiency/Tankless Water Heater Replacements
- 2 Gas Boiler Replacements



Health & Safety



Carbon Monoxide Detectors installed in eligible homes



Blower door testing and ASHRAE calculations for acceptable indoor air quality performed on all homes where air sealing is being considered.



SEMCO establishing a fund with the Community Action Agencies dedicated to Health & Safety repairs with the intention to avoid at least some walk-aways.

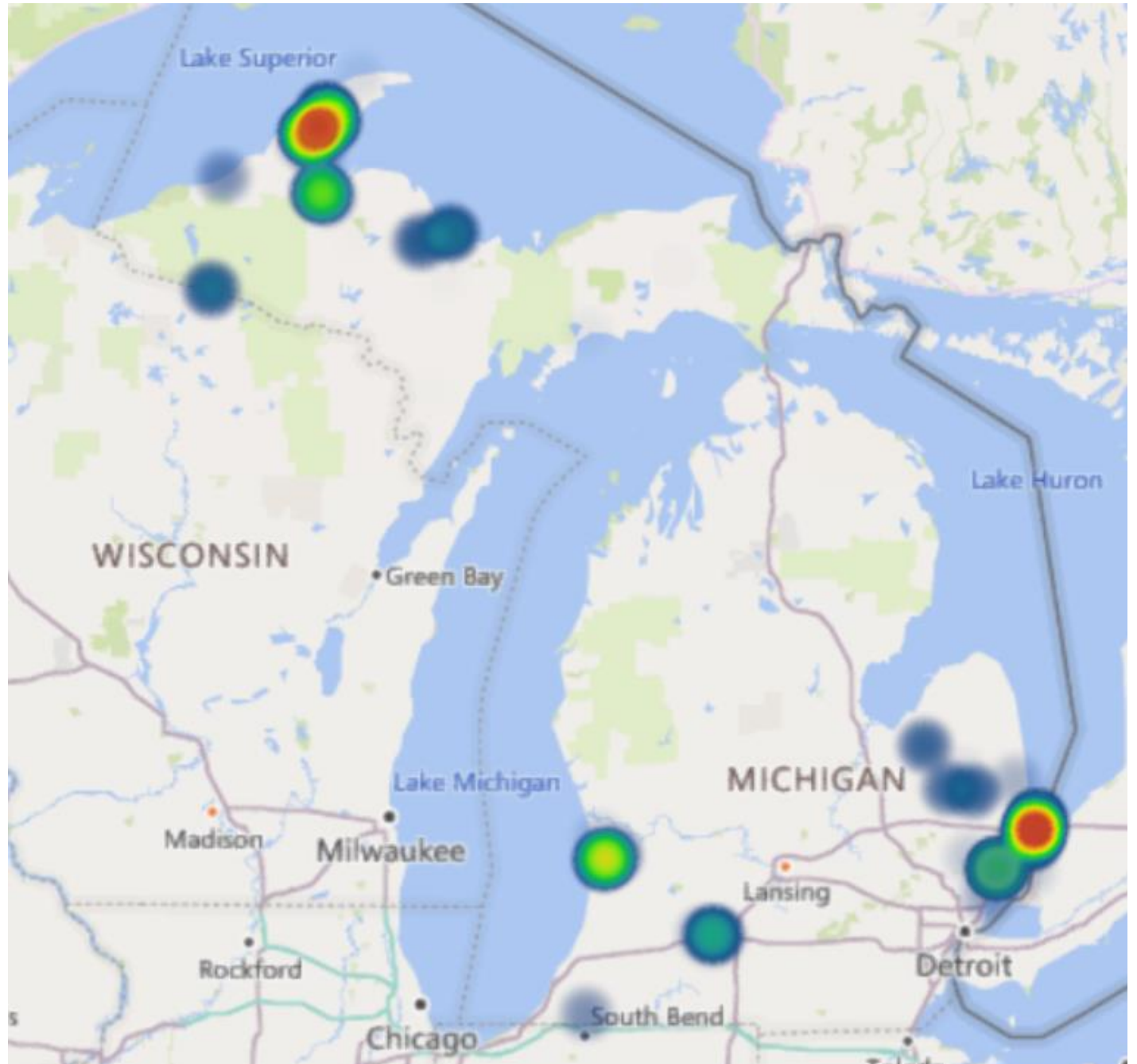


Community Action Agency Programs

- SEMCO contracts directly with **Blue Water Community Action Agency (BWCA)**.
- **BWCA** works with other participating Community Action Agencies (CAA) in SEMCO service territory to offer multiple programs:
 - Weatherization rebate
 - Full pay heating system replacement
 - Health and safety.
- Rebates are offered for the installation of energy efficient measures such as:
 - Natural Gas Furnace and Boiler, Programmable Thermostat, Air Sealing, Rim Joist, Wall, Roof, Crawl, Mobile Home Floor, and Kneewall Insulation, Attic Hatch and Stairs, and Pipe Wrap is rebated through the program.
 - All measures align with the MEMD and weatherization standards.

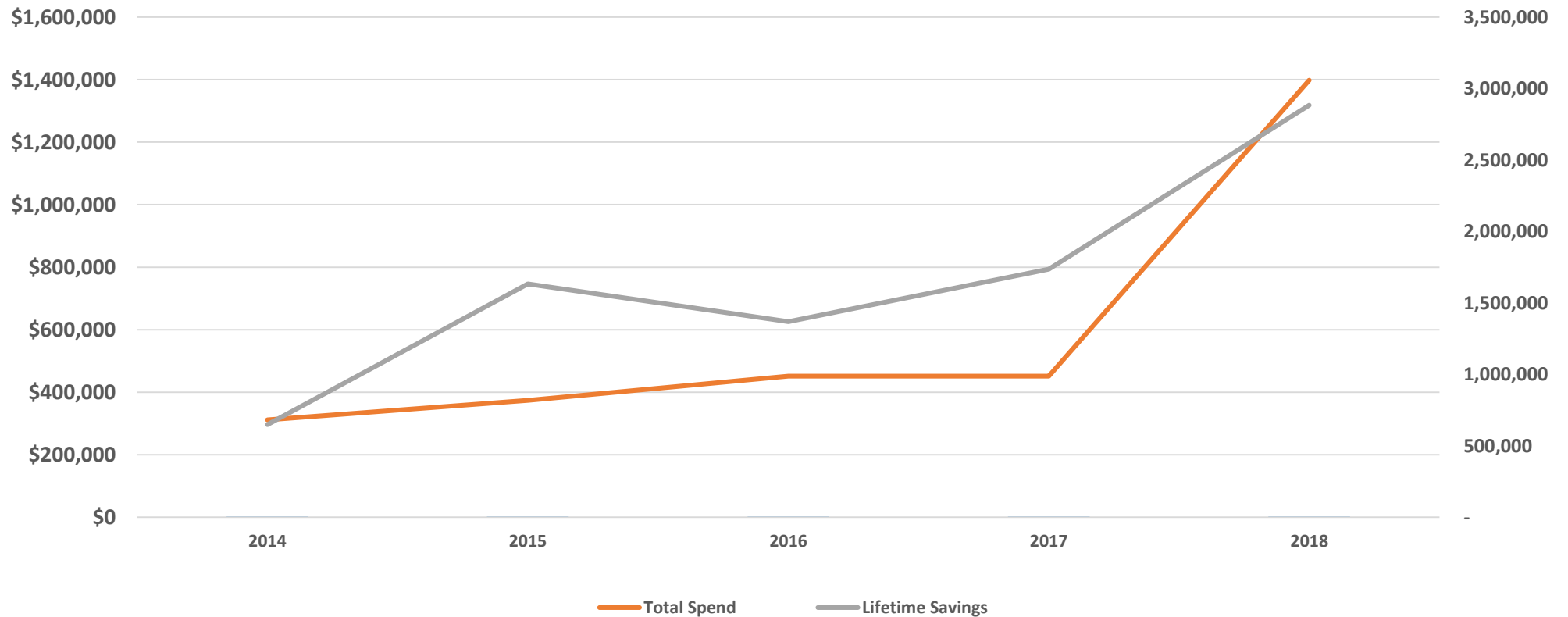
2018 Highlights


- Almost a 300% increase in incentives distributed for LI EWR measures over 2017
- \$1,317.72 Average Spend Per Participant
- 23 Community Based Partnerships
- 2 Tribal Housing Authorities
- 411 Manufactured Homes assisted
- Houghton Disaster Response (full pay assistance):
 - 46 Furnaces
 - 15 Boilers
 - 15 On-Demand Water Heaters



Increasing Commitment to Income-Qualified Customers

SEMCO EWR Income-Qualified by Program Year



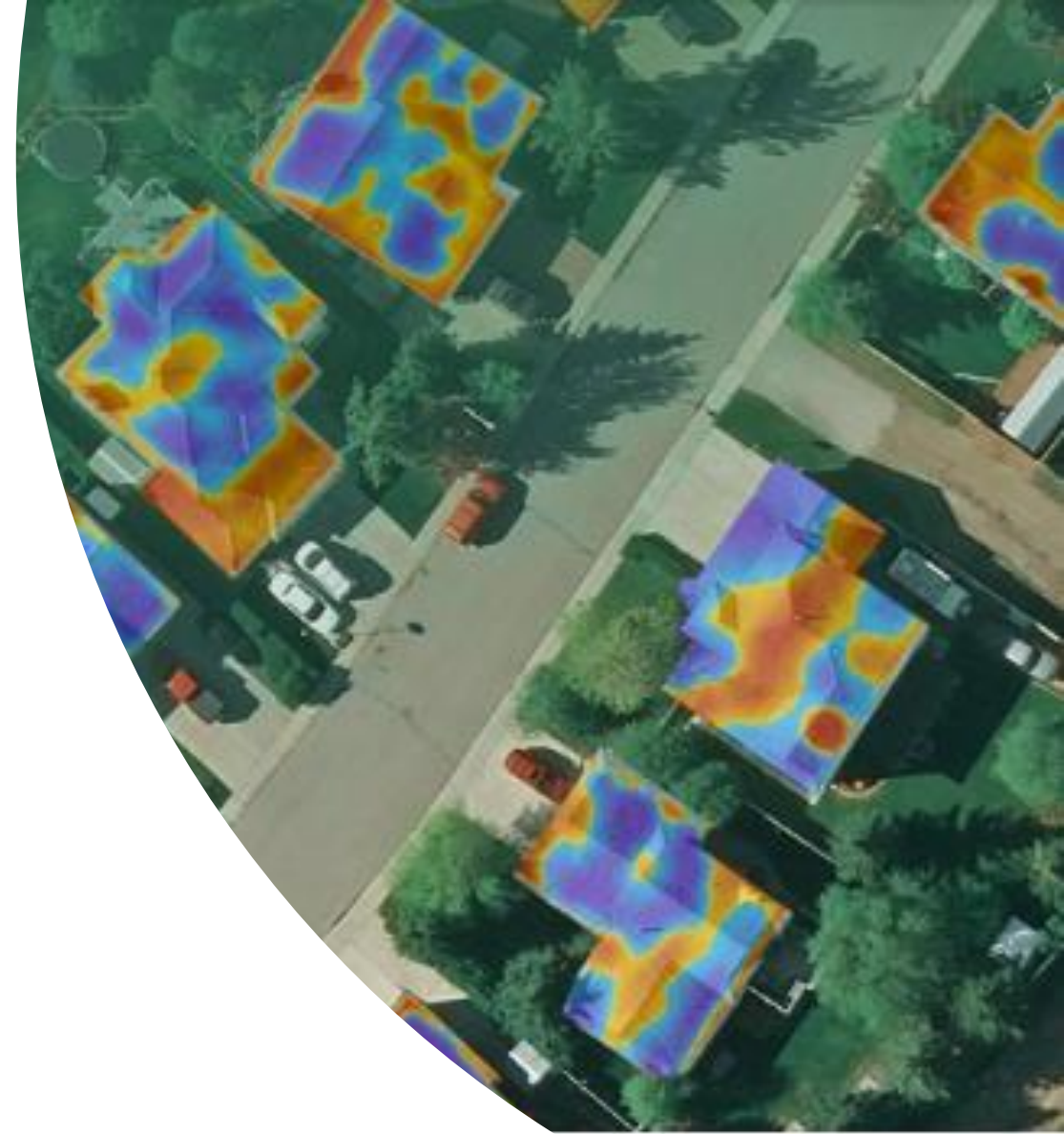
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Income- Qualified Program 2019

- Largest budget for SEMCO's Income-Qualified EWR to date.
- Anticipate 1,200 Participants, averaging over \$1,000 per participant.
- Services include:
 - 295 Manufactured Homes
 - 448 Heating System Tune-ups
 - 60 Water Heater Replacements
 - 106 Heating System Replacements
 - 240 Single Family Insulation Projects
- New program with Superior Watershed Partnership (SWP) offering Home Energy Assessments to UP customers through their Energy Conservation Core.

Looking Forward to 2020

- Target area specific customers based on Heat Loss Mapping. Potential benefits include:
 - Understand energy loss
 - Enhance Customer Engagement
- Continued collaboration with SWP and other UP utilities.
- Potential to work with MEAP grantee agencies to enhance or supplement their EWR programs.



Topic Group Breakout

Wrap Up/Announcements & Adjourn