

EWR Low Income Workgroup

June 3, 2021



Michigan Public Service Commission

Agenda

- 9:00 – 9:10 Welcome, Introductions
Brad Banks, MPSC
- 9:10 – 10:10 Financing for Low and Moderate Income Residential Customers:
- Sharing information about several financing programs that make energy efficiency and clean energy more accessible to homeowners and renters.
- Mary Templeton, Michigan Saves
Anne Saliers, Holland Board of Public Works
Jacob Hardy, Traverse City Light and Power
Ben Dueweke, Walker-Miller Energy Services
- 10:10 – 10:25 Q and A
- 10:25-11:00 Topic Group Brainstorming
- 11:00 Close and Adjourn

Financing Options for Low-to Moderate Income Residential Customers

MichiganSaves.org



Michigan Saves SM



Presenters

- Mary Templeton, Michigan Saves
- Anne Saliers, Holland Board of Public Works
- Jacob Hardy, Traverse City Light and Power
- Ben Dueweke, Walker-Miller Energy Services



Accessible Financing Programs

- Michigan Saves unsecured loans
- Holland and Traverse City on-bill financing programs
- DTE revolving loan fund and grant program pilot



Michigan Saves Unsecured Loans

Unsecured loans for energy-efficiency and renewable energy improvements

- \$5,000–\$50,000 up to 15 years
 - Credit scores as low as 600
 - Fast, easy process
 - Energy efficiency, health and safety, renewable energy, electric vehicle charging stations, water efficiency, storage
- New:** Rental properties
- New:** Longer terms for solar projects (25 years)
- New:** Lender ‘second look’ at denied loans



“It’s great for our daughter to grow up in a house where we’re using renewable energy as a primary source and showing her that it’s normal and good.”

DRURY FAMILY

Unsecured Loans: Accessible in Low- to Moderate-income Communities

- More than half of Michigan Saves residential financing flows toward households with the highest energy burdens

56%

Low- to moderate-income households

(>60%–120% area median income)



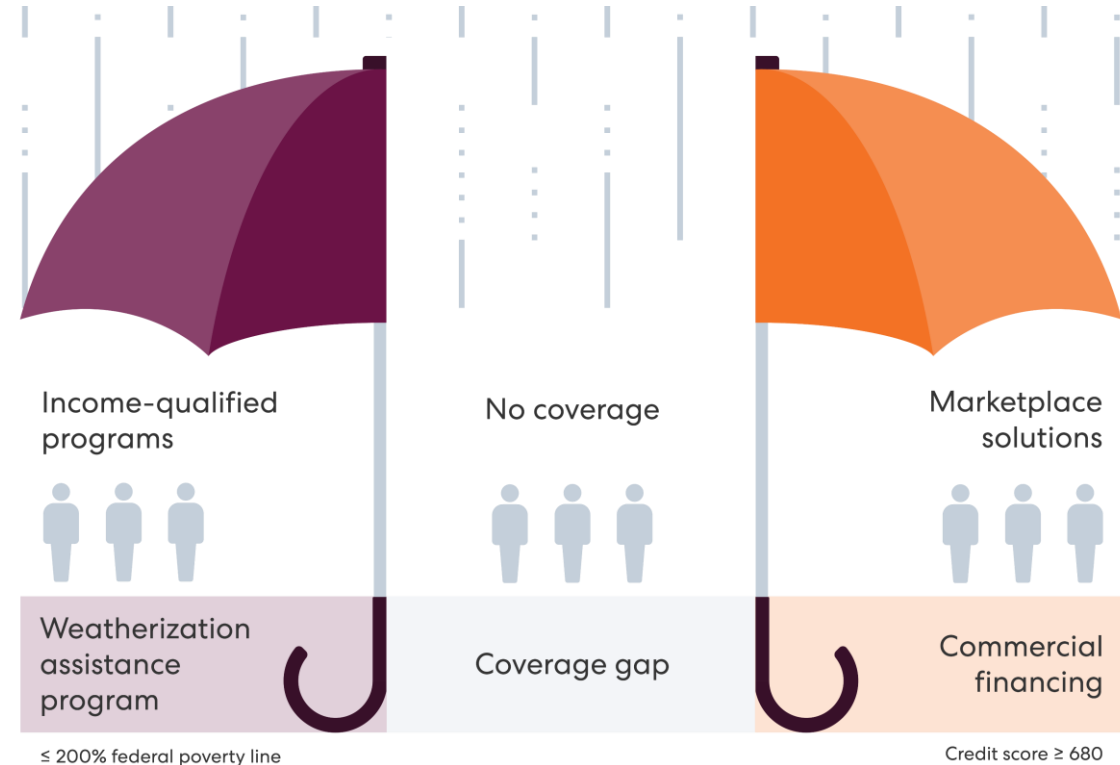
44%

High-income households

(>120% area median income)

Market Gaps Remain

- Michigan Saves is working to ensure equitable access to energy efficiency and renewable energy improvement for all residents—no exceptions



On-bill Financing Programs

What Is On-bill Financing?

- A financial tool where the building owner repays financing for energy improvements on their monthly utility bill
- Enables and expands access to energy efficiency for those who cannot afford upfront costs



Legislation

- Michigan Municipal Utility Residential Clean Energy Program Act (Public Act 408 of 2014) was signed into law in December 2014
 - Enables municipalities that have municipal electric utilities to establish a residential clean energy program
 - Allows a municipality to enter into a contract with a residential property owner to finance or refinance one or more energy projects on the property and repay the loan on the utility bill
- Public Acts 341 and 342 of 2016 were signed into law in December 2016
 - Enables regulated utilities to establish a residential projects program
 - Allows a property owner of record in the provider's service territory to finance or refinance an energy project and repay the loan on the utility bill

On-bill Programs Address Market Gaps

- On-bill programs expand access to those who do not qualify for traditional loans by using utility bill payment history for underwriting
- Lengthening terms to 15 years often matches or nearly matches payments to savings
- Tenants can work with property owners to share costs and realize the benefits of improvements
- Homeowners who expect to move soon may be more inclined to install energy waste reduction improvements if the obligation transfers to the next owner
- One bill makes it easy for customers to pay

Holland On-Bill Loan Program

- Strengthen community and neighborhood by:
 - Encouraging deep energy savings (environment)
 - Increasing access (equity)
 - Operating in a cost-effective manner (economic)

Holland
Energy Fund



Holland On-Bill Loan Program Design

- Eligible measures
 - Anything in the Michigan Energy Measures Database
 - Loan type—tariff
 - \$5,000–\$30,000
 - Fixed interest rate (4.99%/5.99% APR)
 - Up to 15 years
 - Transferable
- Qualification criteria
 - Bill payment history
 - Comprehensive energy assessment
- Source of capital
 - Reserves
- Administration
 - Holland Energy Fund
 - Supported by Holland Board of Public Works, Michigan Saves, Slipstream and Concord

Holland On-Bill Loan Program Results

247

Number of applications

134

Number of closed loans

\$2,167,639

Total financed amount

\$16,176

Average financed amount

6.84

Average number of measures
financed per project

Traverse City Light & Power On-Bill Program

- Designed the program to fit the needs of Traverse City Light & Power's service territory and customer base
- Inspired by the Holland On-Bill Loan Program
- Loan capital provided by USDA Rural Energy Saving Program

"As the first municipal utility in the nation to leverage USDA funding to offer residents simple low-cost access to capital, this is a big win for our residents. Improving your home's energy efficiency is the most cost-effective way to reduce emissions, while improving comfort and increasing the value of your home."

John Taylor, TCL&P Board Chair



**TRAVERSE CITY
LIGHT & POWER**

Traverse City Light & Power On-Bill Program Design

- Eligible measures
 - Qualifying energy-saving home improvements installed by an authorized contractor
 - Loan type—unsecured consumer loan
 - \$5,000–\$30,000
 - Fixed interest rate (3.00% APR)
 - Up to 10 years
 - Transferable
- Qualification criteria
 - Bill payment history
 - Comprehensive energy assessment
- Source of capital
 - USDA Rural Energy Savings Program Loan
- Administration
 - Traverse City Light & Power
 - Supported by Michigan Saves and Slipstream

Traverse City Light & Power On-Bill Program Results

15

Number of applications

3

Number of closed loans

\$42,061

Total financed amount

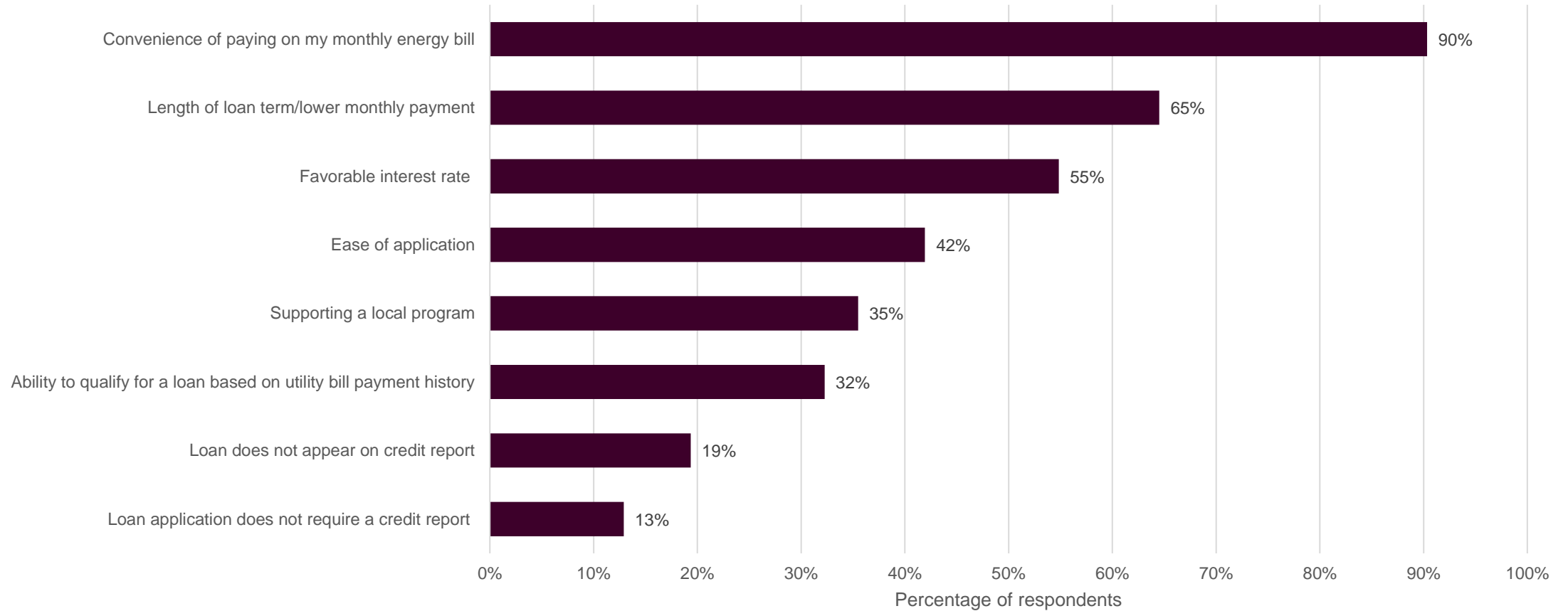
\$14,020

Average financed amount

3.3

Average number of measures
financed per project

Why Homeowners Like On-bill Financing Programs



Source: 2019 Analysis by Public Sector Consultants

DTE Revolving Loan and Grant Program

Grant and Loan Program Concept

- Intended for homeowners that fall just above utility income qualified programs
- Short-term loan and rebates structured to be cash flow positive with no initial investment



Save
Energy.
Gain
Power.

Michigan Saves Loan and Rebate Program

Residents within DTE Energy's electric and gas service territories in Wayne and Washtenaw Counties may qualify for low-interest financing and exclusive rebates for energy improvements that save money and maximize home comfort! This special, limited-time rebate and financing program is available for certain energy-efficient equipment and upgrades, such as high-efficiency air conditioners, insulation, water heaters, furnaces, and more.

PROGRAM QUALIFICATIONS

To qualify, the customer must:

- Own a home and have DTE Energy for both electric and natural gas service
- Be current on DTE Energy electric and gas bills (i.e., have not received a shutoff notice)
- Have a verifiable income (see Program Details section)
- Agree to have a contractor conduct a whole-home energy assessment

MADE POSSIBLE BY

DTE

eco
WORKS

walker-miller
Energy Services

Program Details

- Single-family homes
- 200-300 percent of FPL
- Maximum energy efficiency investment \$7,500
- Loan term 4 years
- Loan amounts from \$19.99 per month to \$90 per month

Program Details

Eligible Properties	Single family (one- to- four-unit) homes with DTE Energy electric and natural gas
Eligible Improvements	Energy-saving home improvements installed by a Michigan Saves authorized contractor following the completion of a comprehensive whole-home energy assessment
Financing Type	Unsecured, personal loan
Maximum Project Amount	\$7,500
Loan Term	4 years
Interest Rate	5%

Your income level will determine the size of your loan and the rebate amount that you receive.

Number of People in the Household	Minimum Household Income	Midpoint of Household Income	Maximum Household Income
1	\$25,520	\$31,900	\$38,280
2	\$34,480	\$43,100	\$51,720
3	\$43,440	\$54,300	\$65,160
4	\$52,400	\$65,500	\$78,600
5	\$61,360	\$76,700	\$92,040

← For customers within this range, the loan payment is only \$19.99 per month for four years.

For customers within this range, the loan payment would not exceed \$90 per month for four years. →

Michigan Saves can provide the eligible income range for households with more than five people.


Learn More


Contact Walker-Miller Energy Services to learn more about the program and discuss eligibility. They will perform a whole-home energy assessment, prioritize your energy needs, and provide free LED light bulbs.


Walker-Miller Energy Services
313-455-5492
energysaver@wmenergy.com

The Michigan Saves Loan and Rebate Program is sponsored by DTE Energy and implemented by Michigan Saves, with administrative and technical support from Walker-Miller Energy Services and EcoWorks Detroit.

MichiganSaves.org

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Implementation Model

- Customer acquisition
- Lead conversion rate
- Strategy to funnel customers that meet DTE's income qualified programs to DTE's Energy Efficiency Assistance program (EEA)
- Common measures
- Subcontractor relations



Testimonial

“I appreciate all that your program has done for me and my family members that participated. I couldn’t thank you enough, I pray that this program continues for many years to come and you continue to bless those in need.”

-Nickita Parker



Thank you!

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Topic Groups Brainstorming



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Topic Groups

- MultiFamily Housing Needs
- Outreach and Engagement
- Coordination of EWR and Weatherization
- Coordination of Community Organization Assistance Programs
- Program Funding Levels
- Coordination between Gas and Electric Utilities
- Measuring and Tracking Affordability
- Health and Safety

Other Ideas

- Non Energy Benefits
- ALICE Threshold
- 211 Services Matrix
- Equity
- Environmental Justice
- Affordability
- Health Care Provider participation
- Workforce Development
- Water issues
- Application and eligibility uniformity

Close & Adjourn

Thank You!



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