Achieving Energy Efficiency for All

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Making Multifamily Affordable Housing more Energy Efficient

- The need
- The barriers
- The breakthroughs
The Need

• Based on Residential Energy Consumption Survey data, of the 19.1 million multifamily 5+ units:
  ▫ 2% of units have received an energy audit
  ▫ 63% of units are poorly or only adequately insulated
  ▫ 30% of units have heating equipment 20+ years old
  ▫ 60% of units have heating equipment not routinely maintained (in last year)

The Need

• Cost effective way to reduce energy consumption
• Lower utility bills
• Provides more comfortable, affordable, and pleasant living space
• Reduce pollution
• Healthier living environments can lower the incidence of illnesses such as asthma
• Helps maintain affordable housing
Michigan Snapshot

Service Territory and Number of Units served by MF Programs

- Consumers Energy
  - Total MF Units in Consumers Service Territory (407,600 units)
  - MF Units being Served (~196,639 units) 48%

- DTE Energy
  - Total MF Units in DTE Service Territory (600,000 units)
  - MF Units Being Served (192,268 units) 32%
  - Low Income MF Units Being Served (51,080 units) 26.5% of MF
  - 8.5% of Total Territory
Michigan Snapshot
Savings and Investment

• Consumers

Multifamily Percent of Residential Savings

Electric: 4%
Gas: 16%

Multifamily Percent of Residential Investment

Electric: 10%
Gas: 8%

• DTE Energy

Multifamily Percent of Residential Savings

Electric: 4.5%
Gas: 15%

Multifamily Percent of Residential Investment

Electric: 3.3%
Gas: 2%
Need Takeaways

• Energy efficiency provides particularly meaningful benefits to those living in multifamily affordable housing.

• Multifamily housing makes up a significant portion of Michigan utilities’ service territory.

• A considerable amount of multifamily units have yet to participate in energy efficiency programs.

• There are opportunities to invest and save more than we currently are.
Barriers

- Building owners lack capital
- Program design
- Split-Incentive
- Lack of energy performance data
- Utility funding
- State regulations
- Coordination
Breakthrough: Elevate & MEO

- 35 year old, East Lansing-based non-profit
- EO low-income MF program designer and implementer
- MI Saves Contractor
- Regional Planning Energy Research (HUD, Tri-County)
- Demonstration facility

- Chicago-based, non-profit
- Strong focus on building energy efficiency, dynamic pricing, research and community-based programs
- Energy Savers Multifamily
  - 18,000 units retrofitted
  - 4.2 million therms and 11.5 million kWh saved
  - Typical savings of 30%

Additional Partners:
MEO Pilot with Consumers Energy

- **Streamlined process** to help owners access all services
- High quality customer service through a **single point of contact**
- **Portfolio analysis approach** in partnership with MSHDA and Wegowise
- Access to $400,000 in commercial and residential **utility incentives**
- Coordination with local **financing** options through Michigan Saves
- Strong construction oversight with **100% QA** of jobs
- **On-going monitoring** of energy savings post-retrofit
Breakthrough Takeaways

- Bringing together non-traditional partners
- Targeted, personalized outreach
- High touch customer service
- Portfolio analysis through Wegowise
- Streamlined process for owners to access both residential and commercial utility incentives and financing
Overall Takeaway

We must **work together** to continue to **adapt and improve** programs that meet the unique challenges of this sector and secure the **best methods to finance** them.
Questions?

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