

2013 REPORT ON THE PROGRESS OF ELECTRIC PROVIDERS IN ACHIEVING REDUCTIONS IN ENERGY USE

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MICHIGAN PUBLIC SERVICE COMMISSION
Department of Licensing and Regulatory Affairs
In compliance with Public Act 295 of 2008

March 1, 2013



INTRODUCTION

In October 2008, Public Act 295 of 2008 was signed into law. Section 97(5) of the Act requires that by March 1, 2013, the Michigan Public Service Commission (Commission) is to submit to the standing committees of the Senate and House of Representatives with primary responsibility for energy and environmental issues, a report on the progress of electric providers in achieving reductions in energy use.

ENERGY SAVINGS TARGETS

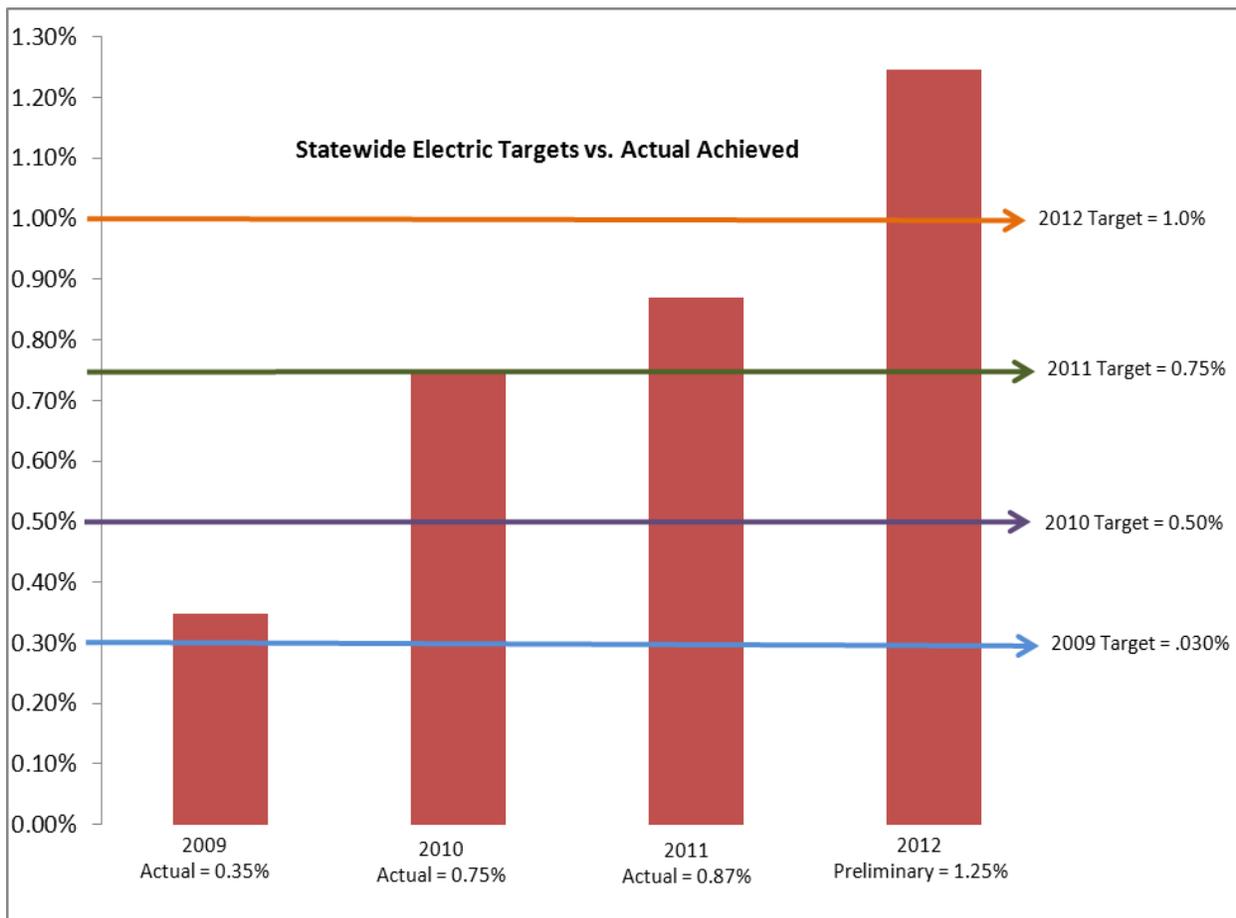
Section 77 of PA 295 provides annual energy savings targets that electric utilities are required to meet. The minimum energy savings targets are based upon a percentage of calendar-year retail sales for each utility. Electric utilities were given a four-year period to initiate programming, develop a statewide program delivery infrastructure, and progressively expand programming to a level that would achieve megawatt hour (MWh) energy savings equivalent to one percent of retail electric load.

Pursuant to Section 77, electric utility energy-savings targets specified by PA 295 progressively increased over the four year period 2009 to 2012. During this transition period, the energy savings targets increase from 0.3 percent of retail electric load to a maximum of one percent of retail electric load. The target continues at the maximum of one percent of retail electric load for calendar years 2012 through 2015, and each year thereafter, i.e. 2016 and forward.

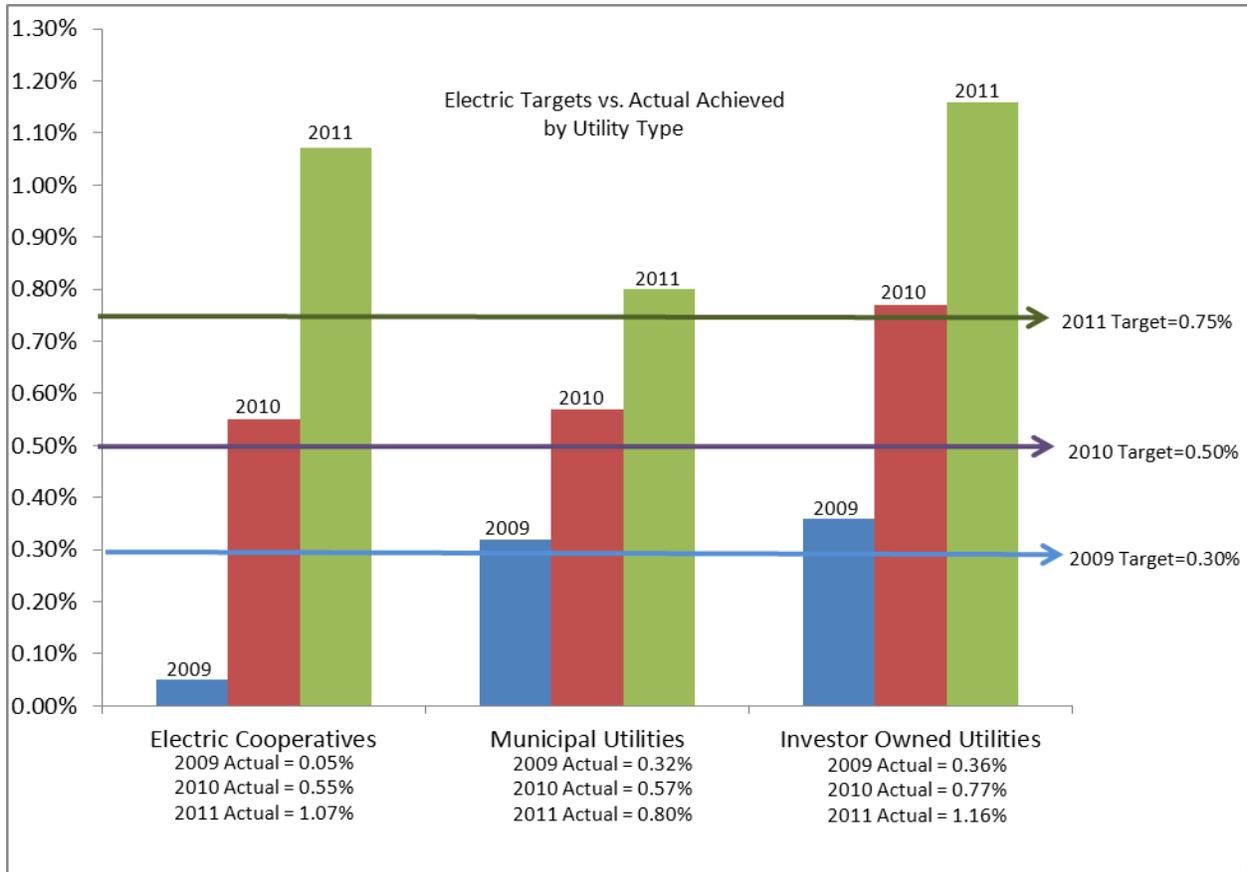
PROGRESS IN ACHIEVING REDUCTIONS IN ENERGY USE

In 2009, electric providers met 116 percent of their target of 0.3 percent of retail sales. The total savings target was 324,042 MWh and the actual amount they achieved was 375,643 MWh.

In 2010, electric providers achieved 149 percent of their target of 0.5 percent of retail sales. The total savings target was 529,133 MWh and the actual amount they achieved was 788,080 MWh. In 2011, electric utilities achieved 116 percent of the target of 0.75 percent of retail sales. The total savings target was 862,910 MWh and the actual amount they achieved was 1,000,437 MWh. Preliminary information indicates that most electric utilities will meet their 2012 targets of one percent of retail sales. The 2012 annual reports from electric providers are due to the Commission on varying dates between March and June of 2013. The chart below shows actual savings compared to targets.



The chart below shows achievement by utility type. See Appendix A for achievement by individual utility.



CONCLUSION

Electric providers have realized significant progress in achieving reduction in energy use through Energy Optimization programs in Michigan. The majority of EO providers has consistently met or exceeded statutory energy savings targets for program years 2009-2011, and preliminary information for program year 2012 suggests similar performance. Additional details on the status of Energy Optimization in Michigan can be found in the *2012 Report on the*

*Implementation of P.A. 295 Utility Energy Optimization Programs*¹ which was issued by the Commission on November 30, 2012.

¹ See http://www.michigan.gov/documents/mpsc/2012_EO_Report_404891_7.pdf.

% of MWH Sales	0.30%			0.50%			0.75%			2009-2011 Target	2009-2011 Actual	% Achieved	2012 Target*
	2009 Target	2009 Actual	% Achieved	2010 Target	2010 Actual	% Achieved	2011 Target	2011 Actual	% Achieved				
Electric IOUs													
1 Alpena	973	16	2%	2,586	3,859	149%	2,419	3,453	143%	5,978	7,328	123%	3,244
2 Consumers	107,939	145,118	134%	178,509	251,187	141%	255,039	353,006	138%	541,487	749,311	138%	340,052
3 Detroit Edison	160,000	203,000	127%	227,153	402,995	177%	477,000	519,000	109%	864,153	1,124,995	130%	490,727
4 Indiana Michigan	9,159	197	2%	24,110	25,157	104%	22,427	21,626	96%	55,696	46,980	84%	29,403
5 UP Power	2,509	350	14%	6,750	6,357	94%	6,363	7,749	122%	15,622	14,456	93%	8,272
6 Wisconsin Electric	8,414	44	1%	21,614	21,722	100%	19,800	20,745	105%	49,828	42,511	85%	26,358
7 WPSCorp	876	2	0%	2,271	2,474	109%	2,093	2,529	121%	5,240	5,005	96%	2,739
8 XCEL Energy	413	0	0%	1,100	1,407	128%	1,031	1,473	143%	2,544	2,880	113%	1,378
Subtotal IOUs	290,283	348,727	120%	464,093	715,158	154%	786,172	929,580	118%	1,540,548	1,993,465	129%	902,174
Electric Coops													
9 Alger Delta	303	22	7%	486	606	125%	448	225	50%	1,237	853	69%	597
10 Bayfield	1	0	0%	2	3	150%	14	19	138%	17	22	131%	2
11 Cherryland	791	751	95%	1,777	2,037	115%	2,699	3,889	144%	5,267	6,677	127%	3,751
12 Cloverland	589	46	8%	1,610	1,500	93%	1,502	532	35%	3,701	2,078	56%	2,003
13 Great Lakes	4,265	286	7%	10,327	10,282	99.6%	9,887	5,002	51%	24,479	15,570	64%	13,183
14 Midwest	1,618	234	14%	4,390	4,509	103%	4,377	2,191	50%	10,385	6,934	67%	5,836
15 Ontonagon	160	5	3%	210	173	82%	189	212	112%	559	390	70%	252
16 Presque Isle	886	34	4%	1,917	2,187	114%	1,785	1,286	72%	4,588	3,507	76%	2,380
17 Thumb	529	64	12%	1,714	1,087	63%	1,121	663	59%	3,364	1,814	54%	1,495
18 Tri-County	1,092	262	24%	2,425	5,002	206%	2,337	1,084	46%	5,854	6,348	108%	3,116
Subtotal Coops	10,234	1,704	17%	24,858	27,386	110%	24,359	15,103	62%	59,451	44,193	74%	32,614
Municipals													
19 Baraga	60	97	162%	84	7	8%	226	185	82%	370	289	78%	188
20 Bay City	896	715	80%	1,473	2,251	153%	1,937	2,317	120%	4,306	5,283	123%	2,860
21 Charlevoix	203	79	39%	450	262	58%	678	423	62%	1,331	764	57%	603
22 Chelsea	266	409	154%	365	359	98%	696	1,221	175%	1,327	1,989	150%	366
23 Clinton	146	173	118%	113	113	100%	161	164	102%	420	450	107%	213
24 Coldwater	865	37	4%	2,342	1,379	59%	2,342	1,409	60%	5,549	2,825	51%	2,729
25 Crosswell	110	247	225%	133	230	173%	188	180	96%	431	657	152%	357
26 Crystal Falls	50	718	1436%	60	459	765%	88	92	105%	198	1,269	641%	164
27 Daggert Electric Co.	5	7	140%	12	19	158%	11	19	167%	28	45	159%	15
28 Detroit PLD	2	2	100%	1,587	224	14%	2,986	2,286	77%	4,575	2,512	55%	865
29 Dowagiac	239	52	22%	547	521	95%	543	766	141%	1,329	1,339	101%	417
30 Eaton Rapids	154	61	40%	347	298	86%	449	470	105%	950	829	87%	455
31 Escanaba	427	0	0%	1,212	1,171	97%	1,104	1,072	97%	2,743	2,243	82%	1,428
32 Gladstone	97	407	420%	182	267	147%	308	136	44%	587	810	138%	328
33 Grand Haven	873	921	105%	1,373	1,591	116%	1,878	2,211	118%	4,124	4,723	115%	2,223
34 Harbor Springs	112	150	134%	171	167	98%	290	248	86%	573	565	99%	358
35 Hart	115	101	88%	196	193	98%	299	140	47%	610	434	71%	394
36 Hillsdale	429	415	97%	726	1,216	167%	536	643	120%	1,691	2,274	134%	1,275
37 Holland	3,089	3,382	109%	4,849	5,481	113%	6,477	7,762	120%	14,415	16,625	115%	9,356
38 L'Anse	42	123	293%	79	10	13%	162	600	370%	283	733	259%	137
39 LBWL	6,831	6,972	102%	11,165	11,524	103%	15,877	17,587	111%	33,873	36,083	107%	19,870
40 Lowell	180	289	161%	226	269	119%	432	578	134%	838	1,136	136%	483
41 Marquette	872	0	0%	2,534	3,198	126%	2,435	1,827	75%	5,841	5,025	86%	3,098
42 Marshall	357	363	102%	579	835	144%	605	1,129	187%	1,541	2,327	151%	537
43 Negaunee	67	274	409%	92	85	92%	199	116	58%	358	475	133%	217
44 Newberry	17	0	0%	148	124	84%	144	155	108%	309	279	90%	192
45 Niles	440	234	53%	802	718	90%	1,122	1,052	94%	2,364	2,004	85%	1,287
46 Norway	94	120	128%	159	76	48%	317	313	99%	570	509	89%	300
47 Paw Paw	116	109	94%	201	115	57%	373	177	47%	690	401	58%	480
48 Petoskey	232	880	379%	404	599	148%	809	477	59%	1,445	1,956	135%	1,080
49 Portland	107	103	96%	182	210	115%	240	155	65%	529	468	88%	362
50 Sebewaing	125	531	425%	158	995	630%	203	305	150%	486	1,831	377%	311
51 South Haven	411	423	103%	688	610	89%	1,135	909	80%	2,234	1,942	87%	1,312
52 St. Louis	120	77	64%	242	251	104%	294	275	94%	656	603	92%	378
53 Stephenson	17	0	0%	49	47	96%	45	47	104%	111	94	85%	60
54 Sturgis	720	797	111%	1,198	1,249	104%	1,937	1,792	93%	3,855	3,838	100%	2,215
55 Traverse City	991	1,735	175%	1,149	1,945	169%	1,704	2,650	156%	3,844	6,330	165%	2,543
56 Union City	47	53	113%	79	197	251%	118	129	109%	244	379	156%	139
57 Wakefield	38	0	0%	103	237	230%	44	49	111%	185	286	155%	52
58 Wyandotte	2,464	3,034	123%	2,388	3,832	160%	1,515	1,803	119%	6,367	8,669	136%	2,495
59 Zeeland	1,099	1,122	102%	1,335	2,202	165%	1,472	1,884	128%	3,906	5,208	133%	2,601
Subtotal Munis	23,525	25,212	107%	40,182	45,536	113%	52,379	55,753	106%	116,086	126,501	109%	64,743
60 Statewide Totals	324,042	375,643	116%	529,133	788,080	149%	862,910	1,000,437	116%	1,716,084	2,164,160	126%	999,531