



2022 Efficiency United

# Annual Report

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# Table of Contents

---

Executive Summary .....3

Satisfaction.....4

Portfolio Achievements.....6

Income Qualified Class Overview .....8

Residential Class Overview..... 11

Residential ENERGY STAR® Appliance Rebate Program..... 12

Residential Appliance Recycling Program..... 14

Residential Home Performance Program ..... 15

    Residential Education Program ..... 19

    Residential Pilot Program ..... 20

Commercial & Industrial (C&I) Class Overview..... 21

    C&I Prescriptive and Custom Program ..... 23

    C&I Education Program..... 25

    C&I Pilot Program ..... 26

Marketing ..... 27

Collateral ..... 28

Quality Check Process..... 29

Appendix..... 30





## Executive Summary

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**Michigan's Energy Waste Reduction (EWR) standard was created under Public Act 295. Public Act 342, known as the Clean and Renewable Energy and Energy Waste Reduction Act, amends Michigan's 2008 energy law, Act 295. Public Acts 341 and 342 of 2016 updated portions of the gas and electric provider energy efficiency programs (formerly known as energy optimization programs and now referred to as energy waste reduction programs) and created new requirements. Efficiency United is the brand name for EWR programs offered on behalf of participating providers or retail electric and natural gas services.**

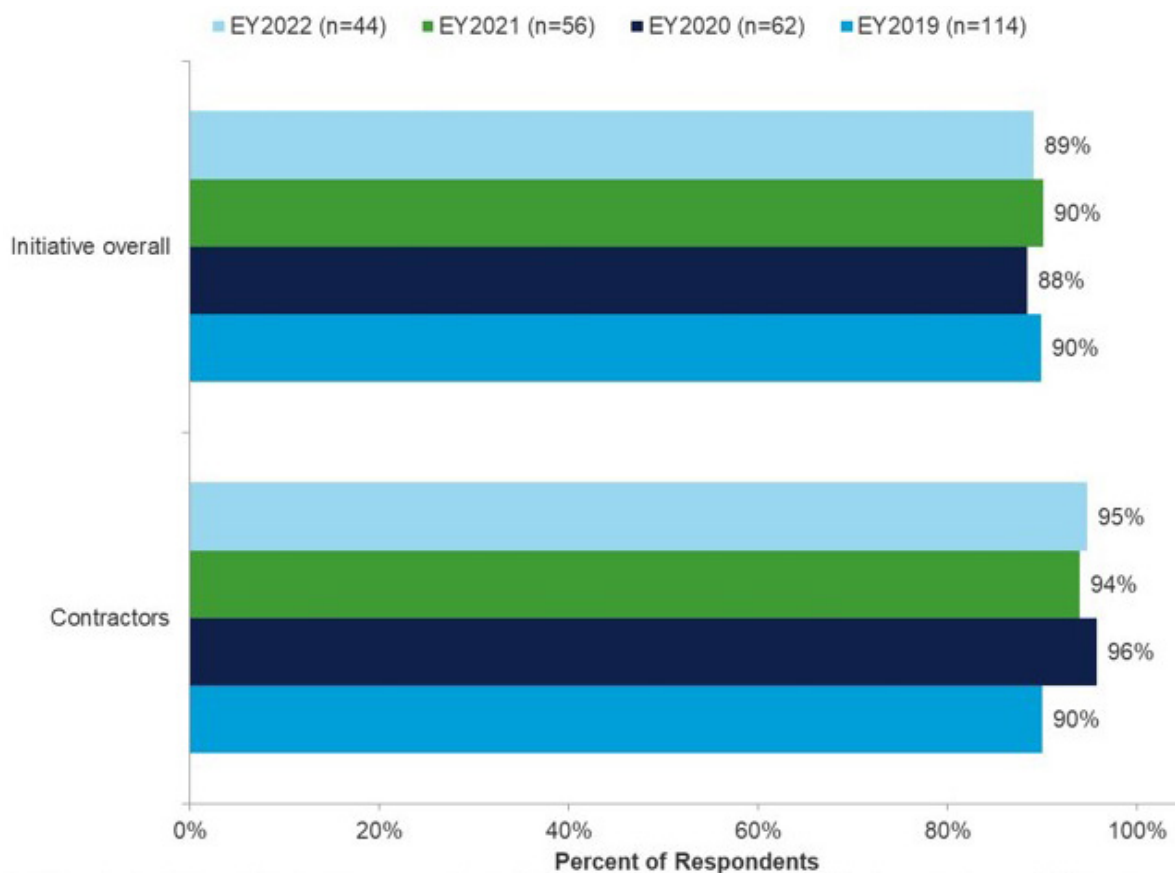
The MPSC selected Michigan Community Action (MCA, formerly Michigan Community Action Agency Association), with CLEAResult as its primary implementation contractor, to administer Efficiency United EWR programs. MCA is a nonprofit state association, which provides programs and services, such as weatherization, to help income-qualified individuals and families throughout the state achieve greater economic self-sufficiency and stability. MCA has extensive experience with administering grant-funded weatherization and energy efficiency programs. The contract between the State of Michigan and MCA includes energy savings targets for each participating provider. In November 2021, MCA extended its contract with CLEAResult through December 31, 2023.

In 2022, Efficiency United delivered cost-effective energy savings garnering high levels of customer satisfaction. This success was built on the foundation of understanding the market and industry trends. Through strategic collaboration and delivery, Efficiency United met the challenges of COVID-19, supply chain disruptions, inflation & material cost increases, and shifts in capital project spending. Program representation maintained a strong physical presence across the various utility service territories engaging with trade allies and customers alike, participating in events to further promote Efficiency United. This allowed the team to make significant inroads towards production levels early in the year. Various elements were incorporated into the 2022 delivery including traditional offerings such as Appliance Recycling, Home Performance, Education, and pilots for "Fix and Find" compressed air and Healthier Homes.

# Satisfaction

For each energy efficiency program and in each program year, DNV asked participants about their level of overall satisfaction with the program, using a five-point satisfaction scale where five meant "very satisfied" and one meant "very dissatisfied." The following figures show the percentage of respondents who gave each program a rating of four or five. High participant satisfaction with Efficiency United's program has remained strong through the 2022 program year.

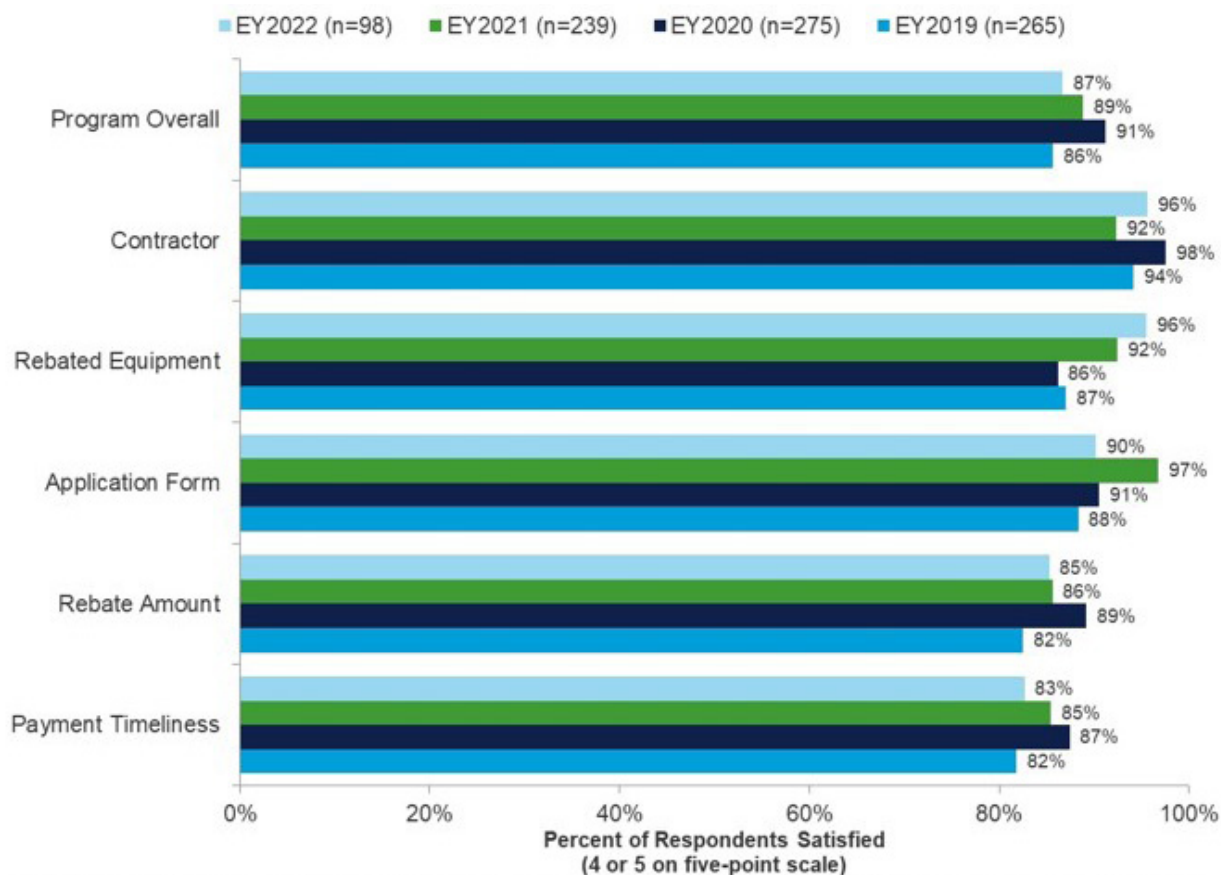
Figure 1: Satisfaction With Contractors and the Income Qualified Program, EY 2019 to 2022



Note: Respondent satisfaction with the scheduling process and the length of time the contractors spent in participants' residences do not appear in this figure because they were only added in EY2022.



Figure 2: Satisfaction With HP Program Characteristics, EY 2019 to 2022



Note: Satisfaction with the application form factors out respondents who said they did not fill out any applications or paperwork for their measure(s). Likewise, satisfaction with the timeliness of payment factors out those who said they did not know how long it took.

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# Gas Portfolio Achievements

## Efficiency United Natural Gas Total Incentives

Class	2022 Incentive Budget	2021 Incentive Unspent	Total Available 2022 Incentive Budget	Incentive Spent	Incentive Remaining*	Incentive Spent (% Portfolio)
Income Qualified	\$248,026	\$0	\$248,026	\$248,036	(\$10)	14%
Residential	\$1,056,895	\$199,728	\$1,256,623	\$1,216,696	\$39,927	67%
Commercial and Industrial	\$507,048	\$31,814	\$538,862	\$337,319	\$201,543	19%
<b>Total</b>	<b>\$1,811,969</b>	<b>\$231,542</b>	<b>\$2,043,511</b>	<b>\$1,802,051</b>	<b>\$241,460</b>	<b>100%</b>

\*Remaining incentive funds will be carried forward into the 2023 EWR programs.

## Efficiency United Natural Gas Total Implementation

Class	2022 Implementation Budget	Implementation Spent	Remaining	Implementation Spent (% Portfolio)
Income Qualified	\$165,397	\$165,397	\$0	13%
Residential	\$735,287	\$735,287	\$0	59%
Commercial and Industrial	\$353,028	\$353,028	\$0	28%
<b>Total</b>	<b>\$1,253,712</b>	<b>\$1,253,712</b>	<b>\$0</b>	<b>100%</b>

## Efficiency United Natural Gas First-Year Therm Savings

Class	2022 Therm Target	Therms Achieved	% Achieved	% Portfolio
Income Qualified	86,601	74,252	86%	3%
Residential	680,049	852,274	125%	36%
Commercial and Industrial	1,136,410	1,472,384	130%	61%
<b>Total</b>	<b>1,903,060</b>	<b>2,398,910</b>	<b>126%</b>	<b>100%</b>

The Appendix includes detailed Efficiency United collection breakdown by utility.

# Electric Portfolio Achievements

## Efficiency United Electric Total Incentives

Class	2022 Incentive Budget	2021 Incentive Unspent	Total Available 2022 Incentive Budget	Incentive Spent	Incentive Remaining*	Incentive Spent (% Portfolio)
Income Qualified	\$167,141	\$0	\$167,141	\$167,335	(\$194)	7%
Residential	\$1,099,575	\$426,521	\$1,526,096	\$1,428,626	\$97,471	62%
Commercial and Industrial	\$1,156,138	\$863,389	\$2,019,527	\$704,024	\$1,315,503	31%
<b>Total</b>	<b>\$2,422,855</b>	<b>\$1,289,910</b>	<b>\$3,712,764</b>	<b>\$2,299,985</b>	<b>\$1,412,779</b>	<b>100%</b>

\*Remaining incentive funds will be carried forward into the 2023 EWR programs.

## Efficiency United Electric Total Implementation

Class	2022 Implementation Budget	Implementation Spent	Remaining	Implementation Spent (% Portfolio)
Income Qualified	\$100,786	\$100,786	\$0	8%
Residential	\$320,956	\$320,956	\$0	25%
Commercial and Industrial	\$847,113	\$847,113	\$0	67%
<b>Total</b>	<b>\$1,268,855</b>	<b>\$1,268,855</b>	<b>\$0</b>	<b>100%</b>

## Efficiency United Electric First-Year kWh Savings

Class	2022 kWh Target	kWh Achieved	% Achieved	% Portfolio
Income Qualified	526,628	252,507	48%	1%
Residential	3,714,802	12,554,832	338%	50%
Commercial and Industrial	13,414,569	12,407,432	92%	49%
<b>Total</b>	<b>17,656,000</b>	<b>25,214,771</b>	<b>143%</b>	<b>100%</b>

The Appendix includes detailed Efficiency United collection breakdown by utility.



**324**

total participants

**74,252**

first-year net therm savings achieved

**252,507**

first-year net kWh savings achieved

**\$415,372**

incentives distributed

## INCOME QUALIFIED

# Income Qualified Class Overview

### Program Design

The 2022 Efficiency United Income Qualified (IQ) Program was designed to provide income-constrained customers with no-cost, energy-efficient equipment and home envelope upgrades. With rising inflation and workforce impacts seen around the country, the program leveraged strategic partnerships through contractor networks, community-based organizations and public housing. As COVID-19 restrictions lifted, the program was able to participate in market outreach opportunities and in-person events, including:

- Collaboration events
- Conferences
- Resource fairs
- Social service events
- Community presentations

Administered by CLEARResult, the program was able to achieve its energy savings and incentive investment objectives while creating a positive impact for low-income customers across the Efficiency United utility territories.

### Challenges and Risks

Fortunately, customer participation in the IQ Program was not directly affected by COVID-19 safety precautions in 2022. However, recent economic and workforce impacts were felt throughout Michigan and often more severely in low-income residential communities. Rising costs of labor and materials proved a difficult challenge in balancing the level of participation while still achieving energy savings goals. In addition to direct costs, trade allies experienced labor shortages, making it difficult to complete projects and provide required documentation on a consistent and timely basis.

### Manufactured Homes Initiative

The Efficiency United IQ Program continued to serve eligible customers through the Manufactured Homes Initiative (MHI) from June–August. The success of this initiative has grown across MGU's residential sector since its launch and saw over 250 manufactured homes served through IQ last year. Energy efficiency enhancements provided to low-income residents living in manufactured homes included duct and air sealing, heating system tune-ups and direct install fixtures.

## Multifamily

Through continued partnership with housing commissions and local non-profit organizations, the IQ Program was able to leverage program funding with rental income and federal housing subsidies. Public housing improvements can include space- and water-heating upgrades as well as weatherization services. By completing these cost-effective installations, multifamily properties can ensure that all residents are provided with a comfortable place to live while reducing their management and utility costs. Multiple public housing and non-profit organizations participated in the 2022 IQ Program, including:

- Alpena Housing Commission
- Bessemer Housing Commission
- Menominee Housing Commission

## Community Action Agency Collaboration

The 2022 IQ Program continued to work collaboratively with multiple community action agencies across the state, including Southwest Michigan CAA and Allegan County CAA. Through customer referrals and shared marketing and education, the program was able to provide a higher level of service to the income-qualified population within Efficiency United service territories.

### Income Qualified Program Incentive Budgets

Provider	2022 Incentive Budget	Incentive Carryforward Remaining From Previous Years	Total Available Incentive Budget	Incentive Spent	% of Budget Spent (Based on 2022 Incentive Budget)	Remaining Incentive Budget*
<b>Electric Utilities</b>						
Alpena	\$44,847	\$0	\$44,847	\$44,849	100%	(\$2)
UMERC – Electric	\$88,442	\$0	\$88,442	\$88,445	100%	(\$3)
Xcel Energy – Electric	\$33,853	\$0	\$33,853	\$34,041	101%	(\$188)
<b>Total Electric</b>	<b>\$167,142</b>	<b>\$0</b>	<b>\$167,142</b>	<b>\$167,335</b>	<b>100%</b>	<b>(\$193)</b>
<b>Natural Gas Utilities</b>						
MGU	\$231,461	\$0	\$231,461	\$231,468	100%	(\$7)
UMERC – Gas	\$6,859	\$0	\$6,859	\$6,862	100%	(\$3)
Xcel Energy – Gas	\$9,706	\$0	\$9,706	\$9,706	100%	\$0
<b>Total Natural Gas</b>	<b>\$248,026</b>	<b>\$0</b>	<b>\$248,026</b>	<b>\$248,036</b>	<b>100%</b>	<b>(\$10)</b>

\*Incentive funds will be transferred from the residential class where overdraws are present.

## Income Qualified Energy Savings

Provider	Number of Participants	Annual kWh/ Therms Goal	2022 kWh/ Therms Achieved	2021 Carryforward Savings	Total kWh/ Therms Achieved	% of Goal Achieved
Electric Utilities						
Alpena	4	170,048	4,388	34,440	38,828	23%
UMERC – Electric	8	84,360	162,849	3,841	166,690	198%
Xcel Energy – Electric	4	272,221	26,915	20,074	46,989	17%
<b>Total Electric</b>	<b>16</b>	<b>526,629</b>	<b>194,152</b>	<b>58,355</b>	<b>252,508</b>	<b>48%</b>
Natural Gas Utilities						
MGU	304	83,880	66,124	6,745	72,869	87%
UMERC – Gas	2	1,144	275	381	656	57%
Xcel Energy – Gas	2	1,577	382	344	726	46%
<b>Total Natural Gas</b>	<b>308</b>	<b>86,601</b>	<b>66,781</b>	<b>7,470</b>	<b>74,251</b>	<b>86%</b>





## Residential



### ENERGY STAR® PROGRAM OVERVIEW

**3,614**

total participants

**1,244**

first-year net therm savings achieved

**4,827,127**

first-year net kWh savings achieved

**\$292,410**

incentives distributed

#### RESIDENTIAL

## Residential Class Overview

### Class Achievements

The 2022 Efficiency United Residential Program offered several opportunities to participate in a variety of programs designed to promote investment in energy efficiency equipment.

These programs include the following and will be expanded upon further in this report:

- ENERGY STAR Program
- Appliance Recycling Program
- Home Performance
- Residential Education Program
- Residential Pilot Program

### ENERGY STAR Program Overview

The Residential ENERGY STAR Program was not directly impacted by continuing COVID impacts in 2022. However participating retail partners have been impacted by labor challenges, inflationary economic influences and certain supply chain shortages. Manufacturers also experienced supply chain issues, which resulted in their limited production capacity.

The ENERGY STAR Program offered financial incentives for the purchase of the following products:

- LED light bulbs
- Handheld shower wand
- Showerheads
- Kitchen and bath aerators

The program also provided energy efficiency kits to conveniently offer customers with energy waste reduction opportunities without the need for customers to leave their homes. Customers were sent direct mailers offering the energy kit and invited them to request a no-cost kit through a unique online URL. Customers were offered a choice between two different energy kits. One of which contained all interior measures, and the other kit option had a mix of both interior and exterior measures. The program experienced high customer response and satisfaction through this initiative. 2022 Residential ENERGY STAR Program delivered 3,039 kits.

**88**

total participants

**165**

first-year net therm savings achieved

**5,585**

first-year net kWh savings achieved

**\$1,920**

incentives distributed

## RESIDENTIAL

# ENERGY STAR® Appliance Rebate Program

Through the Efficiency United ENERGY STAR Appliance Rebate Program, customers accessed mail-in rebate opportunities for a variety of qualifying energy-efficient appliances. Program representatives educated retailer employees to help them understand program guidelines and how to encourage consumer purchases of high-efficiency appliances. Marketing materials were also updated and replenished to further empower retailer employees as program ambassadors.

### 2022 Rebated Appliances

- Clothes washer
- Clothes dryer
- Dishwasher
- Dehumidifier
- Portable air conditioner unit
- Televisions
- Ceiling fan with LED lights
- Air purifier

## ENERGY STAR Program Overview

Provider	Number of Participants	Incentive Spent	2021 Carryforward Savings	Bulbs From 2020 & 2021	2022 kWh/ Therms Achieved	Total kWh/ Therms Achieved	2022 Annual kWh/Therms Goal	% of Savings Goal Achieved
Electric Utilities								
Alpena	1,589	\$112,644	89,774	462,970	1,155,312	1,708,056	396,532	431%
UMERC – Electric	1,422	\$143,302	109,482	813,358	1,430,995	2,353,835	2,210,580	107%
Xcel Energy – Electric	530	\$35,242	37,683	303,949	423,604	765,236	435,408	176%
<b>Total Electric</b>	<b>3,541</b>	<b>\$291,188</b>	<b>236,939</b>	<b>1,580,277</b>	<b>3,009,911</b>	<b>4,827,127</b>	<b>3,042,520</b>	<b>159%</b>
Natural Gas Utilities								
MGU	36	\$1,027	507	0	209	716	376	190%
UMERC – Gas	19	\$77	103	0	183	286	437	65%
Xcel Energy – Gas	18	\$117	75	0	167	242	647	37%
<b>Total Natural Gas</b>	<b>73</b>	<b>\$1,221</b>	<b>685</b>	<b>0</b>	<b>559</b>	<b>1,244</b>	<b>1,460</b>	<b>85%</b>



# Appliance Recycling Program

262

total participants

210,832

first-year net kWh savings achieved

\$51,385

incentives distributed

## Program Design

The Appliance Recycling Program offered drop-off events and in-home collection of refrigerators, mini-refrigerators, freezers, room air conditioners and dehumidifiers. Participation was generated through multiple channels, including direct mail flyers, promotional Efficiency United events, the Efficiency United website and social pages, and member utility websites. The following incentives were provided per recycled unit at no cost to the customer:

- \$50 refrigerator or freezer
- \$20 room air conditioner or dehumidifier
- \$15 mini-refrigerator

## Notable Activities

There were three drop-off events throughout the year in Iron Mountain, Ironwood and Alpena Michigan. The events were advertised to local customers in the weeks leading up to the events and led to very successful participation. At each event, energy efficiency kits were also cross-promoted to customers while they completed their drop-off. Additionally, one pickup route was completed across the territories in mid-June. Overall, 395 eligible units were recycled during the program year.

## Appliance Recycling Program Overview

Provider	Number of Participants	Incentive Spent	2021 Carryforward Savings	2022 kWh/ Therms Achieved	Total kWh/ Therms Achieved	2022 Annual kWh/Therms Goal	% of Savings Goal Achieved
Electric Utilities							
Alpena	77	\$10,547	0	50,133	50,133	2,620	1913%
UMERC – Electric	100	\$23,380	0	79,638	79,638	105,429	76%
Xcel Energy – Electric	85	\$17,458	0	81,062	81,062	19,201	422%
<b>Total Electric</b>	<b>262</b>	<b>\$51,385</b>	<b>0</b>	<b>210,832</b>	<b>210,832</b>	<b>127,250</b>	<b>166%</b>



**3,941**  
total participants

**642,606**  
first-year net therm savings achieved

**216,693**  
first-year net kWh savings achieved

**\$992,694**  
incentives distributed

## RESIDENTIAL

# Home Performance Program

The Home Performance Program provides residential customers with educational resources and rebates for energy-efficient home improvements.

### The 2022 program offered rebates on:

- Air and duct sealing
- ENERGY STAR® certified products (such as air purifiers, clothes dryers, room A/Cs and TVs)
- Heating and cooling systems
- Heating and cooling add-ons (such as boiler reset controls, thermostats, ECM fans and pumps)
- Insulation
- Water heaters
- Windows and doors

Additional services offered through the Home Performance Program included:

- Contractor Network
- Home Energy Assessment
- Manufactured Home Initiative

### Contractor Network

Home Performance Program participation is largely driven by the network of engaged participating contractors. As such, the contractor outreach team is focused on the recruitment of highly skilled HVAC, insulation, plumbing and building science experts across the service territories of Efficiency United participating utilities. The team helps nurture these relationships by:

- Serving as a single point of contact for all program needs
- Training contractors on program opportunities and new energy-efficient technologies
- Providing market differentiation and energy efficiency sales training
- Providing timely updates regarding applications, rebates, and bonus opportunities
- Incorporating contractor feedback into program design

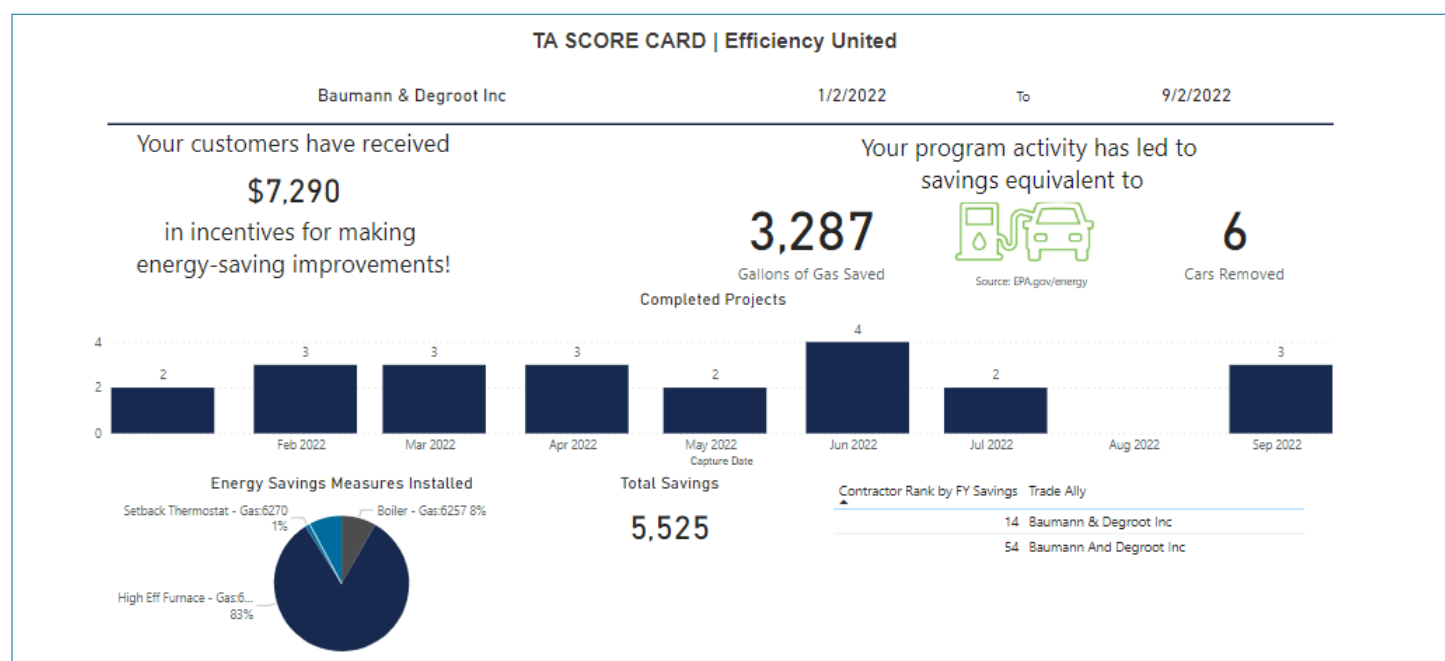
The contractor outreach team is highly focused on maintaining direct and personal connections with contractors.

## 2022 Contractor Engagement

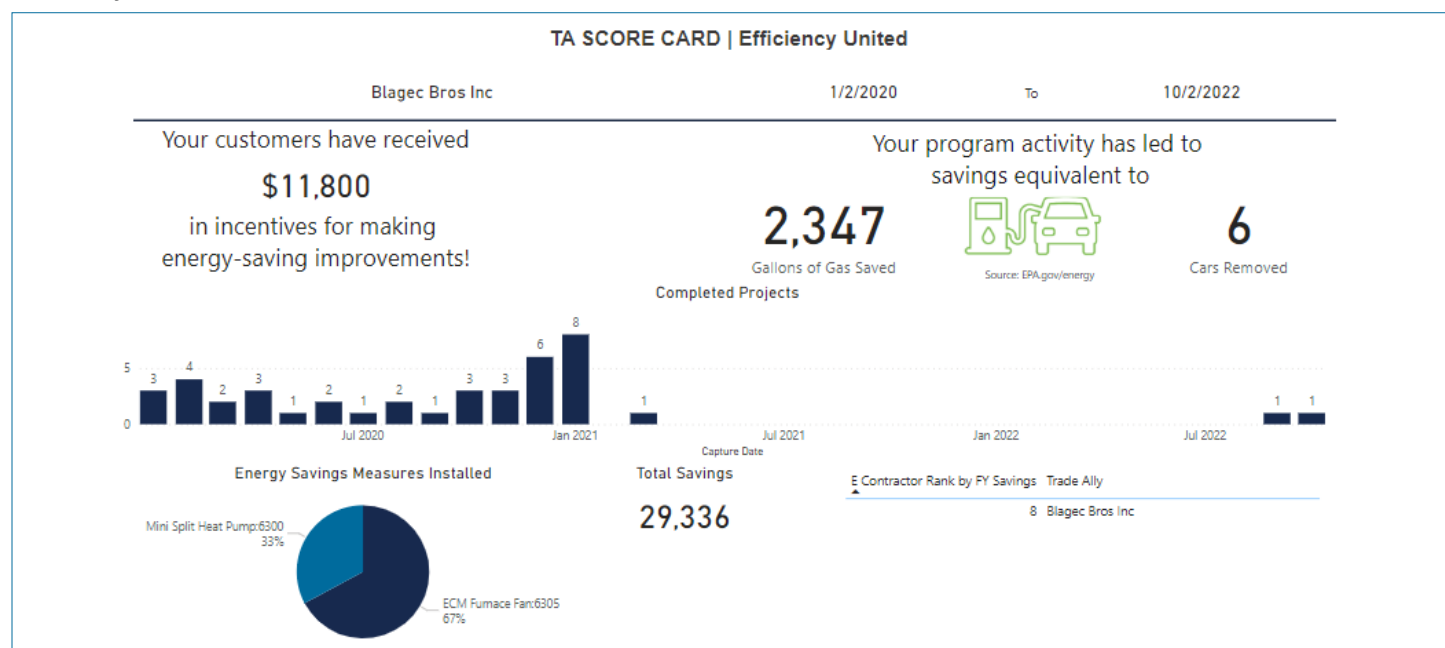
Utility	In-Person Contractor Visits	Unique Contractor Touchpoints
Alpena	15	30
MGU	86	257
UMERC	88	148
XCEL	33	113

In 2022, the Trade Ally Scorecard was launched to provide contractors with additional opportunities and insights into their impact on the community. The scorecard has been well received by contractors and offer program promotion through display in contractor offices.

## Efficiency United Gas Scorecard



## Efficiency United Electric Scorecard





## Home Energy Assessments

Complimentary Home Energy Assessments (HEAs) were offered as part of the 2022 Home Performance Program. An HEA is a great first step on the road to energy efficiency, and an ideal offering for someone to learn more about how their home uses and loses energy.

During an assessment, a Building Performance Institute certified analyst completes a visual evaluation of the home's appliances, envelope, and mechanical systems. The analyst will also discuss the occupant's energy behaviors to get a full understanding of the home's current needs and usage. If the customer is eligible, the analyst will install upgrades such as high-efficiency showerheads and aerators, water heater pipe insulation, LED light bulbs, and a carbon monoxide detector at no cost.

At the conclusion of the assessment, the customer receives a report outlining the analyst's recommendations as well as available rebates and program offerings. To help ensure customers follow through with their recommended improvements, the program continues to offer a one-time bonus of up to \$200 for completing one qualifying improvement.

## Manufactured Home Initiative (MHI)

Since 2015, the MHI has provided no-cost, energy-saving upgrades to customers living in manufactured homes. Manufactured homes are defined as factory-built, prefabricated housing, mobile homes, and homes within mobile home communities.

In addition to traditional demand generation, the program team hosted community barbeques to bring community members together to learn about the program and share experiences. This was facilitated through building relationships with property managers of communities identified for participation. Working together, the program and property managers delivered the upgrades at no cost to residents.

Based on a customer's eligibility, they may receive:

- Air sealing
- Duct system repair and sealing
- Furnace tune-up
- High-efficiency showerheads and faucet aerators
- Water heater pipe insulation
- Carbon monoxide detectors

## Marketing and Outreach

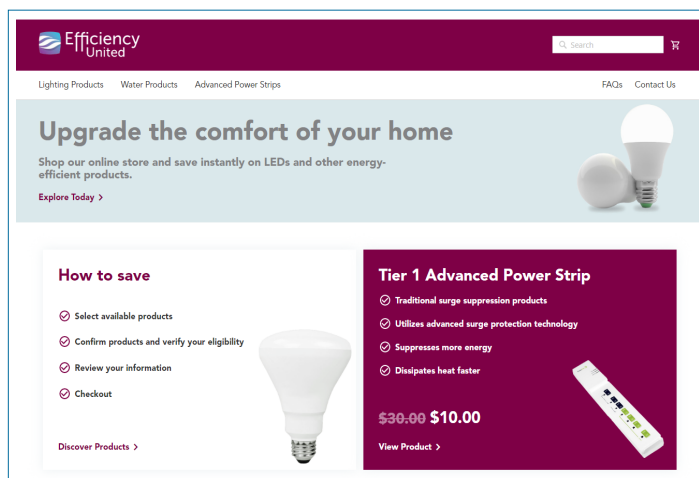
While Efficiency United's market outreach strategy is based on a strong contractor network, proactive engagement remains a priority with contractors and customers. To raise awareness, the Market Outreach team attended:

- Eight customer-facing program promotion and education events
- One Michigan Public Service Commission energy fairs for income-qualified customers
- Seven contractor-facing program promotion and education events
- Four Day of Energy Savings multiple-day events
- Michigan Community Action Conference



## Marketplace

The online marketplace offers customer a convenient way for customers to save instantly on energy-efficient products without completing a rebate application or leaving the comfort of their home. The marketplace offers lighting products, advanced power strips, showerheads and faucet aerators.



## Home Performance Program Overview

Provider	Number of Participants	Incentive Spent	2021 Carryforward Savings	2022 kWh/ Therms Achieved	Total kWh/ Therms Achieved	2022 Annual kWh/Therms Goal	% of Savings Goal Achieved
Electric Utilities							
Alpena	21	\$8,479	14,252	41,093	55,345	59,778	93%
UMERC – Electric	41	\$24,018	9,520	66,453	75,973	81,939	93%
Xcel Energy – Electric	17	\$5,351	5,631	79,744	85,375	64,000	133%
<b>Total Electric</b>	<b>79</b>	<b>\$37,848</b>	<b>29,403</b>	<b>187,290</b>	<b>216,693</b>	<b>205,717</b>	<b>105%</b>
Natural Gas Utilities							
MGU	3,656	\$902,832	50,190	548,301	598,491	572,932	104%
UMERC – Gas	58	\$10,649	5,027	6,354	11,381	13,630	83%
Xcel Energy – Gas	148	\$41,365	7,395	25,339	32,734	30,696	107%
<b>Total Natural Gas</b>	<b>3,862</b>	<b>\$954,846</b>	<b>62,612</b>	<b>579,994</b>	<b>642,606</b>	<b>617,258</b>	<b>104%</b>



**1,500**

kits distributed

**22,999**

first-year therm savings achieved

**112,673**

first-year kWh savings achieved

## RESIDENTIAL

# Education Program

### Program Design

Efficiency United continued its partnership with the National Energy Foundation (NEF) to deliver its Residential Education Program in 2022. The Think! Energy® Program encouraged teachers and their students to think, talk, and take action to save energy for the future. This past year, interactive in-person and virtual classroom presentations were facilitated by a NEF presenter.

Utility collaboration continued with UPPCO, SEMCO ENERGY Gas Company, Consumers Energy and DTE Energy, enabling the program to reach a larger number of schools.

### Program Offerings

The Take Action Kit distributed to students varied by program, but all contained energy-saving upgrades and activity suggestions along with installation instructions. NEF made multiple improvements to the program in 2022, including a teacher portal to track grant progress and distribute downloadable materials. NEF also introduced various teacher webinars to provide tips before starting the program as well as a follow-up to the interactive recorded presentation.

### Residential Education Program Overview

Provider	Incentive Spent	2022 kWh/Therms Achieved
Electric Utilities		
Alpena	\$4,426	20,510
UMERC – Electric	\$7,376	66,375
Xcel Energy – Electric	\$3,433	25,788
<b>Total Electric</b>	<b>\$15,235</b>	<b>112,673</b>
Natural Gas Utilities		
MGU	\$32,749	21,430
UMERC – Gas	\$883	496
Xcel Energy – Gas	\$1,288	1,073
<b>Total Natural Gas</b>	<b>\$34,920</b>	<b>22,999</b>





**\$1,258,678**  
total incentives spent

**185,424**  
first-year therm savings achieved

**7,187,506**  
first-year kWh savings achieved

## RESIDENTIAL

# Pilot Program

The Healthier Homes Pilot Program offered income-qualified customers with qualifying health ailments enhanced home upgrades to help improve health outcomes and promote energy waste reduction. The pilot combined typical efficiency upgrades such as air sealing and insulation with additional health and safety upgrades, including:

- Whole-home insulation and air sealing
- Moisture mitigation through improved gutters, downspouts, roof repair and landscaping
- Asbestos and mold remediation
- Spot ventilation in kitchen and bathrooms
- Carpet removal and/or intense cleaning

Customers were also offered a Healthy Home Evaluation in addition to the typical Home Energy Assessment. The evaluation included a dehumidifier, HEPA vacuum, and an air purifier with replacement filters to further help occupants' health as well as smoke detectors, fire extinguishers and carbon monoxide detectors.

Compared to a typical Home Energy Assessment, the Healthy Home Evaluation's more holistic approach and additional improvements generally resulted in deeper energy savings. In total, 144 homes participated in the Healthier Homes Pilot Program in 2022.

## Key Takeaways

- Moisture mitigation, carpet removal and pest control not only promoted overall home health and safety, but also eliminated barriers to making other energy efficiency improvements. For example, an energy-efficient heating upgrade does not necessarily improve a customer's comfort if more pressing issues such as mold, mildew and pests are still present.
- The pilot also recognized that certain improvements need to be made prior to specific energy efficiency upgrades. For example, repairing ductwork may not result in significant energy savings without first installing an energy-efficient furnace.





## Commercial & Industrial



**200**

total participants

**1,472,384**

first-year net therm savings achieved

**12,407,432**

first-year net kWh savings achieved

**\$1,041,342**

incentives distributed

### COMMERCIAL & INDUSTRIAL

## Commercial & Industrial Class Overview

### Class Achievements

The Efficiency United Commercial & Industrial (C&I) Programs provide rebates, incentives, and technical assistance to encourage the adoption of high-efficiency equipment among commercial customers.

The programs operate on an Energy Advisor model that offers customers a streamlined approach and the necessary expertise to help them develop projects. Energy Advisors are also assigned to work very closely with the trade allies who serve Efficiency United customers.

A total of 183 customers completed Efficiency United C&I Prescriptive and Custom projects in 2022, despite a continuation of COVID-19 related challenges and fire damage to a significant customer.

Efficiency United continues to offer a variety of program opportunities to its diverse C&I customer base, including:

- Prescriptive and Custom Program
- Education Program
- Commercial Pilot Program

## Commercial and Industrial Overview

Provider	2022 Incentive Budget	Incentive Carryforward Remaining from Previous Years	Total Available Incentive Budget	Incentive Spent	% of Budget Spent (Based on 2022 Incentive Budget)	Remaining Incentive Budget
Electric Utilities						
Alpena	\$148,819	\$77,326	\$226,145	\$185,742	82%	\$40,403
UMERC – Electric	\$897,775	\$710,661	1,608,436	\$450,713	28%	\$1,157,723
Xcel Energy – Electric	\$109,545	\$75,402	\$184,947	\$67,569	37%	\$117,377
<b>Total Electric</b>	<b>\$1,156,139</b>	<b>\$863,389</b>	<b>\$2,019,528</b>	<b>\$704,024</b>	<b>35%</b>	<b>\$1,315,503</b>
Natural Gas Utilities						
MGU	\$468,299	\$0	\$468,299	\$327,362	70%	\$140,937
UMERC – Gas	\$16,532	\$14,955	\$31,487	\$1,506	5%	\$29,981
Xcel Energy – Gas	\$22,216	\$16,859	\$39,075	\$8,451	22%	\$30,625
<b>Total Natural Gas</b>	<b>\$507,047</b>	<b>\$31,814</b>	<b>\$538,861</b>	<b>\$337,319</b>	<b>63%</b>	<b>\$201,543</b>

## Commercial and Industrial Energy Savings

Provider	Number of Participants	Annual kWh/Therms Goal	2022 kWh/Therms Achieved	2021 Carryforward Savings	Total kWh/Therms Achieved	% of Goal Achieved
Electric Utilities						
Alpena	42	3,404,328	3,312,304	689,491	4,001,795	118%
UMERC – Electric	77	8,802,839	7,056,197	400,778	7,456,975	85%
Xcel Energy – Electric	27	1,207,402	859,626	89,036	948,662	79%
<b>Total Electric</b>	<b>146</b>	<b>13,414,569</b>	<b>11,228,127</b>	<b>1,179,305</b>	<b>12,407,432</b>	<b>92%</b>
Natural Gas Utilities						
MGU	41	1,055,636	1,339,512	84,887	1,424,399	135%
UMERC – Gas	2	49,077	10,175	16,359	26,534	54%
Xcel Energy – Gas	11	31,698	14,529	6,922	21,451	68%
<b>Total Natural Gas</b>	<b>54</b>	<b>1,136,411</b>	<b>1,364,216</b>	<b>108,168</b>	<b>1,472,384</b>	<b>130%</b>

**183**

total participants

**1,438,367**

first-year net therm savings achieved

**12,071,010**

first-year net kWh savings achieved

**\$990,782**

incentives distributed

## COMMERCIAL & INDUSTRIAL

# Prescriptive and Custom Program

### Overview

Efficiency United's C&I Prescriptive and Custom Program provide incentives for high-efficiency equipment upgrades in non-residential facilities. The program offers predetermined rebates often associated with one-for-one retrofits as well as custom offerings that allow customers to take a more unique and innovative look at energy efficiency and customize it to their specific needs.

### Outreach and Customer Engagement

As in previous years, the energy advisor outreach model was effective in generating new opportunities and achieving nearly all savings goals in 2022. Energy advisors also provide assistance to customers and trade allies to resolve engineering and technical issues. The advisors are deeply knowledgeable about energy efficiency and are located across the Efficiency United service territories. Outreach is typically performed through in-person meetings, with energy advisors commonly travelling to customer and trade ally locations several days per week. This in-person outreach activity is largely back to pre-COVID levels. For 2022, the program added an outreach team member to help increase custom project activity.

### Challenges

In 2022, three specific challenges impacted the program. The first was the labor and supply chain disruptions that continue to affect much of the Efficiency United service

territories, particularly the in the Upper Peninsula. Supply chain disruptions have become endemic for many key lighting and HVAC components, including boiler pumps, chillers and commercial kitchen equipment, extending some delivery lead times by over a year. Increased labor turnover also disrupted many key relationships between the program's outreach team, customers, and trade allies, resulting in unprecedented levels of project delays.

**Q3/Q4** – Special initiative for 24/7 manufacturers with high compressed air usage. Coordination of a single contractor to perform 'find and fix' leak audits at three firms – at no cost to the customer. The audits and repair work were highly desired by these customers, but they lacked the resources and maintenance budget to occur in 2022. Efficiency United managed the whole process to make this activity extremely easy for these customers.

**Q4** – Special initiative for the hospitality industry to help update lighting. Efficiency United performed lighting audits at 17 hotels and worked with lighting vendors to provide high-quality LED solutions. At no cost, we provided each hotel with new lighting. The hotels were responsible for installation and Efficiency United performed follow-up audits to confirm installations.

Another challenge was the continued trend of customers foregoing large capital projects in favor of operations and maintenance projects, despite the relatively low cost of capital for most of 2022. This has been a multi-year trend for most Efficiency United programs.

Finally, a fire at an Efficiency United gas customer's facility delayed implementation of a significant project until 2023. This facility is a major employer for the community, and the program was unable to identify and implement offsetting projects to overcome this goal achievement setback.

To contend with these challenges, Efficiency United offered select bonuses and special initiatives in targeted service areas. These included bonuses for boiler tune-ups, lighting upgrades, and compressed air audits, plus a hospitality initiative for hotel and motel managers. Collectively, these bonuses and initiatives were critical for engaging customers and generating energy savings in a cost-effective manner.

## Commercial and Industrial Prescriptive and Custom Program Overview

Provider	Number of Participants	Incentive Spent	2021 Carryforward Savings	2022 kWh/ Therms Achieved	Total kWh/ Therms Achieved	2022 Annual kWh/Therms Goal	% of Savings Goal Achieved
Electric Utilities							
Alpena	39	\$173,292	689,491	3,164,384	3,853,875	3,248,542	119%
UMERC – Electric	73	\$439,693	400,778	6,963,293	7,364,071	8,198,292	90%
Xcel Energy – Electric	22	\$57,191	89,036	764,028	853,064	1,110,810	77%
<b>Total Electric</b>	<b>134</b>	<b>\$670,176</b>	<b>1,179,305</b>	<b>10,891,705</b>	<b>12,071,010</b>	<b>12,557,644</b>	<b>96%</b>
Natural Gas Utilities							
MGU	38	\$311,890	84,887	1,307,843	1,392,730	971,185	143%
UMERC – Gas	1	\$976	16,359	8,747	25,106	45,150	56%
Xcel Energy – Gas	10	\$7,741	6,922	13,609	20,531	29,162	70%
<b>Total Natural Gas</b>	<b>49</b>	<b>\$320,607</b>	<b>108,168</b>	<b>1,330,199</b>	<b>1,438,367</b>	<b>1,045,497</b>	<b>138%</b>



# Education Program

## 34,017

first-year net Therm savings achieved

## 151,751

first-year net kWh savings achieved

## \$32,100

incentives distributed

The C&I program annually allocates funds to pay for education initiatives for customers and trade allies. In 2022, this budget was used for in-person trainings, technical assistance studies, and to promote on-demand digital based training.

The in-person training events offered formal and informal opportunities for customers or trade allies to learn about new technologies, discuss their pain points, and find collaborative solutions. These smaller-scale events have proved to be a cost-effective approach due to their low cost and quality interactions. Education events that the C&I program team developed and/or participated in are listed in attached table.

Funds were allocated in early 2022 to provide detailed, audit-based technical assistance for two significant customers. The audits helped the customers implement low- and no-cost recommendations and start deeper reviews for capital-based projects.

The final education initiative in 2022 was the promotion of Efficiency United's education webinar and slide deck library. These training materials cover both electric and natural gas measures and are easily accessible online.

Event	Location/Utility	Topics
Contractor Get Together	St. Joseph/MGU	Program updates, brewery tour and high-efficiency brewing equipment
Energy Efficiency for Manufacturers	Battle Creek/MGU (in collaboration with SEMCO ENERGY)	Building controls, compressed air controls, operational savings and productivity enhancements
Contractor Lunch 'n Learn	Ironwood (XCEL/UMERC)	Supply chain and labor challenges, mitigation opportunities and program bonuses
Customer Lunch 'n Learn	Ironwood (XCEL/UMERC)	Compressed air
Marquette Builders Exchange Annual Meeting	Marquette (UMERC/XCEL)	New Construction and major renovations
SBAM Annual Meeting and Small Business Summit	Lansing (MGU)	General EWR Information
Johnstone Supply Counter Days	Holland (MGU)	General EWR Information
Michigan School Business Official – Facility Conference	Thompsonville (all EU utilities)	Project specific assistance
Johnstone Supply – Hydropalooza Event	Hudsonville (MGU)	General EWR Information

### Commercial and Industrial Education Program Overview

Provider	Incentive Spent	2022 kWh/Therms Achieved
<b>Electric Utilities</b>		
Alpena	\$4,773	56,709
UMERC – Electric	\$7,095	59,814
Xcel Energy – Electric	\$3,520	35,228
<b>Total Electric</b>	<b>\$15,388</b>	<b>151,751</b>
<b>Natural Gas Utilities</b>		
MGU	\$15,472	31,669
UMERC – Gas	\$530	1,428
Xcel Energy – Gas	\$710	920
<b>Total Natural Gas</b>	<b>\$16,712</b>	<b>34,017</b>

# Pilot Program

0

first-year net Therm savings achieved

184,671

first-year net kWh savings achieved

\$18,460

incentives distributed

Efficiency United's C&I Pilot Program has been oriented toward technology demonstration efforts to test new equipment in 'real world' situations and perform verification of the energy savings with a goal of creating a new MEMD measure. For 2022, the pilot program continued the 'new technology' path but also pursued the improvement of an existing MEMD measure to align it more closely with the communities that we serve.

## Compressed Air Leak Audit (<50hp)

Started in 2021, the compressed air audit pilot evaluated energy savings from find-and-fix leak audits for systems under 50 horsepower. The existing MEMD measure for compressed air audits is for larger compressed air systems, which is uncommon in the Efficiency United service areas. Results derived from the data collected from the audits will be presented in a work paper to promote the inclusion of smaller compressed air systems in the Michigan Energy Measures Database (MEMD). The paper will be submitted to the Michigan Public Service Commission in 2023 for potential adoption to the MEMD in 2024.

## Natural Gas Absorption Heat Pumps

The second pilot promoted the installation and metering of natural gas absorption heat pumps (GAHP). This equipment works along the same principles of an air-source heat pump but uses a small natural gas engine to drive the heat pump. Many customers have expressed a strong interest for this technology, but pricing, engineering complexity and contractors' lack of familiarity with the equipment continue to delay any significant adoption.

GAHP technology can provide heating, cooling, and domestic hot water for HVAC applications—all at efficiencies (in most weather conditions) higher than electric heat pumps and condensing gas-fired equipment. The program expects that additional manufacturers will soon enter the marketplace, which should in turn drive further innovations and lower prices.

Outreach occurred throughout the year to customers and trade allies, but due to project cost issues and contractor availability, no projects were implemented or underway in 2022.

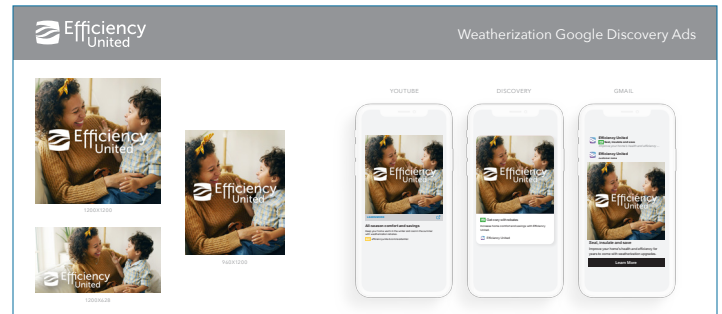
## Commercial and Industrial Pilot Program Overview

Provider	Incentive Spent	2022 kWh/Therms Achieved
Electric Utilities		
Alpena	\$7,677	91,211
UMERC – Electric	\$3,925	33,089
Xcel Energy – Electric	\$6,858	60,371
<b>Total Electric</b>	<b>\$18,460</b>	<b>184,671</b>
Natural Gas Utilities		
MGU	\$0	0
UMERC – Gas	\$0	0
Xcel Energy – Gas	\$0	0
<b>Total Natural Gas</b>	<b>\$0</b>	<b>0</b>

# Marketing

The Efficiency United marketing team added a new account manager to their team in early January 2022 and brought a new perspective and mission to this year's marketing initiatives. They began by partnering with the program team to identify and define a customer journey, target high-potential participants, and track the success of each marketing tactic. They also built out marketing materials based on education and benefits and then leading into the rebates. Their goal was to bring education and value to the programs and rebates that Efficiency United offers. In 2022, marketing reached customers through emails, radio, direct mail and digital media campaigns. They will continue to build on their success through innovative ways in 2023 by building off the foundations they created in 2022.

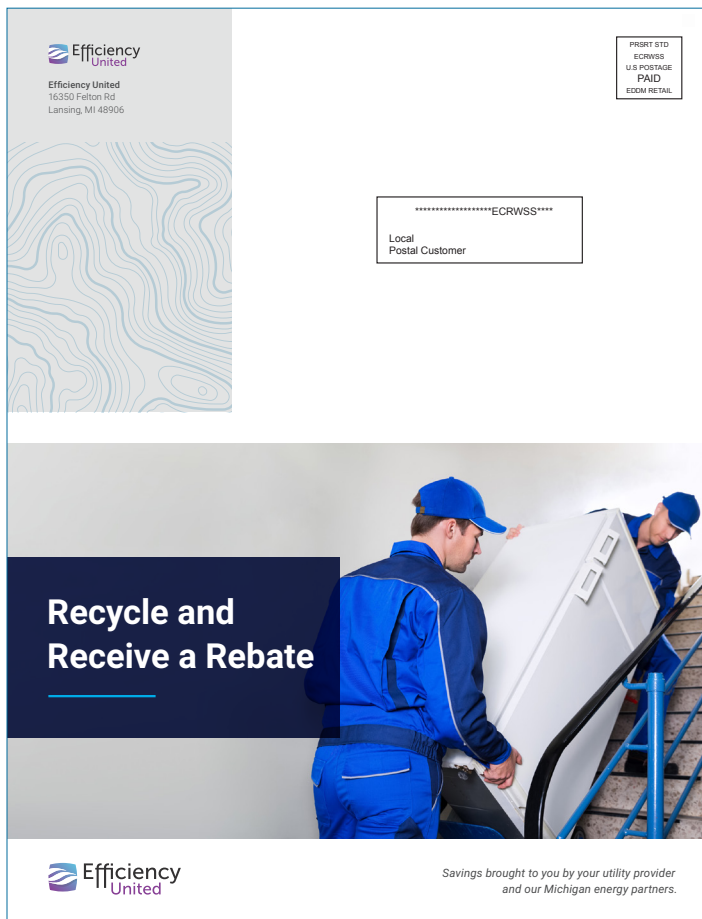
## Google Discovery Ads



## Postcard



## Direct Mail



# Collateral

## Tearpad

### Homegrown savings

Programs and rebates to help you save more at home



Natural Gas Appliance	Rebate Efficiency United (Natural Gas Utilities)
Clothes Dryer	\$20
Clothes Washer*	\$20-\$25
Dishwasher*	\$10

\*Primary water heating system must be natural gas.



### Become an energy efficiency star.

We offer rebates for a variety of ENERGY STAR® certified products designed to save energy without sacrificing performance.



- ≤ \$25,760
- ≤ \$34,840
- ≤ \$43,920
- ≤ \$53,000
- ≤ \$62,080
- ≤ \$71,160
- ≤ \$80,240
- ≤ \$89,320

\*Add \$8,840 for each additional household member.

### Instant in-store rebates

Efficiency just got more convenient. Shop with our retail partners, and save instantly on ENERGY STAR certified lighting products.

Find a participating retail partner at [efficiencyunited.com/shop](http://efficiencyunited.com/shop).

### Lending our neighbors an energy-saving hand

We believe everyone has the right to an efficient, comfortable home. For participating income-qualified customers, we provide and install energy-saving products like insulation, heating systems, LEDs and more at no cost.




### Ready to get started?

See what we can do for you at [efficiencyunited.com](http://efficiencyunited.com) or give us a call at **877.367.3191**.



## Bonus Flyer



## Boost Your Savings With Bonuses

SEMCO's Energy Waste Reduction Program is committed to helping you save energy and money.


Whether your business is on Main Street or in an industrial park, SEMCO EWR has bonuses that will reduce the cost of energy-saving projects.

Measure	Bonus*
Furnace Replacement	50%
Smart Thermostat**	50%
Boiler Tune-Up***	Up to 75% of Project Cost
Furnace Tune-Up***	\$100 per Furnace (Flat Rate)
Steam Trap Repair	25%


\*Incentives (inclusive of bonus amounts) cannot exceed 75% of projects costs.  
\*\*Smart thermostat incentive is available only to public assembly, restaurants, small retail, small office, and house of worship building types.  
\*\*\*Tune-ups can only receive an incentive every 24 months. Process boilers, process burners, and DHW heaters must allow efficiency improvement. Note that hospital and university boilers are considered to be process equipment. Projects must use and complete the Boiler & Tune-Up Application (scan QR code below).

### Ready to start saving?

Visit [semcoewr.com](http://semcoewr.com) or call **855.298.5387**.




BOILER AND FURNACE  
TUNE-UP APPLICATION



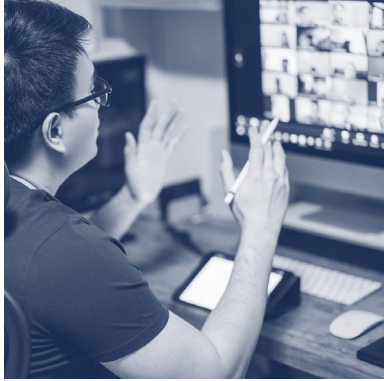
VIEW FULL C&I  
APPLICATION

## Commercial and Industrial Social Ads



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### Let's Learn Digitally

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# Quality Check Process

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**Efficiency United continued its focus on ensuring that energy projects are achieving the proposed energy savings through a rigorous quality assurance system for all of its programs.**

For residential programs, Efficiency United performs on-site and virtual verification of equipment and upgrade installations and phone interviews with randomly selected participants. Results from this QA/QC process are regularly shared with program teams to recognize areas of excellence and identify opportunities for improvement. Participation in the quality control process is voluntary; however, Efficiency United achieved its five percent inspection target of approved projects annually across all of the Efficiency United service territories.

Commercial and industrial projects are visited by an energy advisor to confirm installation of project. Nearly all custom projects are visited in-person or virtually, and prescriptive projects receive verification from an energy advisor as necessary. All projects with scale or complexity receive a pre- and post-installation inspection to ensure measure eligibility and savings accuracy. These inspection visits also provide an opportunity for the energy advisor to develop and/or maintain a relationship with the customer to assist them on the next steps of their energy efficiency journey. For unique or complex custom projects, the program collaborates with the evaluator, DNV, for third-party review of the savings calculation.

# Appendix

## Total Available Budget: All Classes

Provider	Total Collection for Program Year 2022	MCA Administration Spending Cap (7%)	DNV Evaluation Spending Cap (4%)	Income Qualified Spending Requirement (12%)	Pilot Program Spending Cap (5%)	Education Program Spending Cap (3%)	Remaining Programs Spending Cap	Total Collection for Program Year 2022 (Including EU Stimulus Pilot)
Electric Utilities								
Alpena	\$622,872	\$43,601	\$24,915	\$74,745	\$31,144	\$18,686	\$429,782	\$622,872
UMERC – Electric	\$2,392,819	\$167,497	\$95,713	\$147,403	\$119,641	\$71,785	\$1,790,780	\$2,392,819
Xcel Energy – Electric	\$470,175	\$32,912	\$18,807	\$56,421	\$23,509	\$14,105	\$324,421	\$470,175
<b>Total Electric</b>	<b>\$3,485,866</b>	<b>\$244,011</b>	<b>\$139,435</b>	<b>\$278,569</b>	<b>\$174,293</b>	<b>\$104,576</b>	<b>\$2,544,983</b>	<b>\$3,485,866</b>
Natural Gas Utilities								
MGU	\$3,214,734	\$225,031	\$128,589	\$385,768	\$160,737	\$96,442	\$2,218,166	\$3,214,734
UMERC – Gas	\$95,265	\$6,669	\$3,811	\$11,432	\$4,763	\$2,858	\$65,733	\$95,265
Xcel Energy – Gas	\$134,809	\$9,437	\$5,392	\$16,177	\$6,740	\$4,044	\$93,018	\$134,809
<b>Total Natural Gas</b>	<b>\$3,444,808</b>	<b>\$241,137</b>	<b>\$137,792</b>	<b>\$413,377</b>	<b>\$172,240</b>	<b>\$103,344</b>	<b>\$2,376,918</b>	<b>\$3,444,808</b>

## Total Implementation Budget: By Class

Provider	Income Qualified Implementation Budget	Residential Implementation Budget	Commercial & Industrial Implementation Budget	Total Implementation Budget	Total Implementation Collection	Total Implementation Budget Remaining
Electric Utilities						
Alpena	\$29,898	\$93,244	\$103,583	\$226,725	\$226,725	\$0
UMERC – Electric	\$48,320	\$155,383	\$667,283	\$870,986	\$870,986	\$0
Xcel Energy – Electric	\$22,568	\$72,328	\$76,247	\$171,144	\$171,144	\$0
<b>Total Electric</b>	<b>\$100,786</b>	<b>\$320,955</b>	<b>\$847,113</b>	<b>\$1,268,855</b>	<b>\$1,268,855</b>	<b>\$0</b>
Natural Gas Utilities						
MGU	\$154,307	\$689,903	\$325,953	\$1,170,163	\$1,170,163	\$0
UMERC – Gas	\$4,619	\$18,248	\$11,612	\$34,478	\$34,478	\$0
Xcel Energy – Gas	\$6,471	\$27,136	\$15,463	\$49,070	\$49,070	\$0
<b>Total Natural Gas</b>	<b>\$165,397</b>	<b>\$735,287</b>	<b>\$353,028</b>	<b>\$1,253,712</b>	<b>\$1,253,712</b>	<b>\$0</b>

## Total Energy Savings Achieved: All Classes

Provider	Total Participants	2022 Annual kWh/ Therm Goals	Self-Directed	Total Goal*	Total Savings Achieved*	% of Goal Achieved
Electric Utilities						
Alpena	1,766	2,631,000	1,457,000	4,088,000	6,528,829	160%
UMERC – Electric	1,840	10,255,000	1,246,000	11,501,000	16,689,850	145%
Xcel Energy – Electric	667	2,067,000	0	2,067,000	1,996,092	97%
<b>Total Electric</b>	<b>4,273</b>	<b>14,953,000</b>	<b>2,703,000</b>	<b>17,656,000</b>	<b>25,214,771</b>	<b>143%</b>
Natural Gas Utilities						
MGU	4,062	1,769,970	0	1,769,970	2,289,766	129%
UMERC – Gas	91	65,610	0	65,610	52,917	81%
Xcel Energy – Gas	182	67,480	0	67,480	56,227	83%
<b>Total Natural Gas</b>	<b>4,335</b>	<b>1,903,060</b>	<b>0</b>	<b>1,903,060</b>	<b>2,398,910</b>	<b>126%</b>

\*Includes Special Pilots.



