

Multifamily Solutions

Jennifer Binkley-Power

*Michigan Energy Optimization Collaborative
Meeting*

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Consumers Energy
Count on Us

Presentation Topics

2

1

**PROGRAM
DESCRIPTION**

2

PROGRESS TO DATE

3

**MULTIFAMILY
MARKET
CHARACTERISTICS**

4

**PROPERTY
OWNER/MANAGER
SURVEY**

5

**BEST
PRACTICES**

6

**STRATEGIC
PARTNERSHIPS**

Consumers Energy Multifamily Solutions

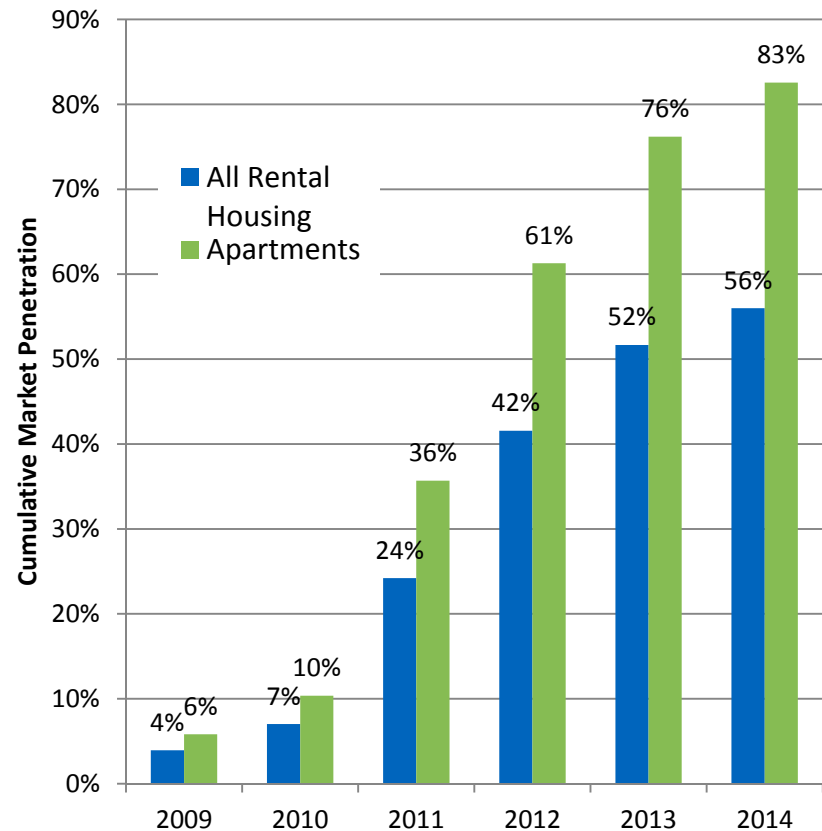
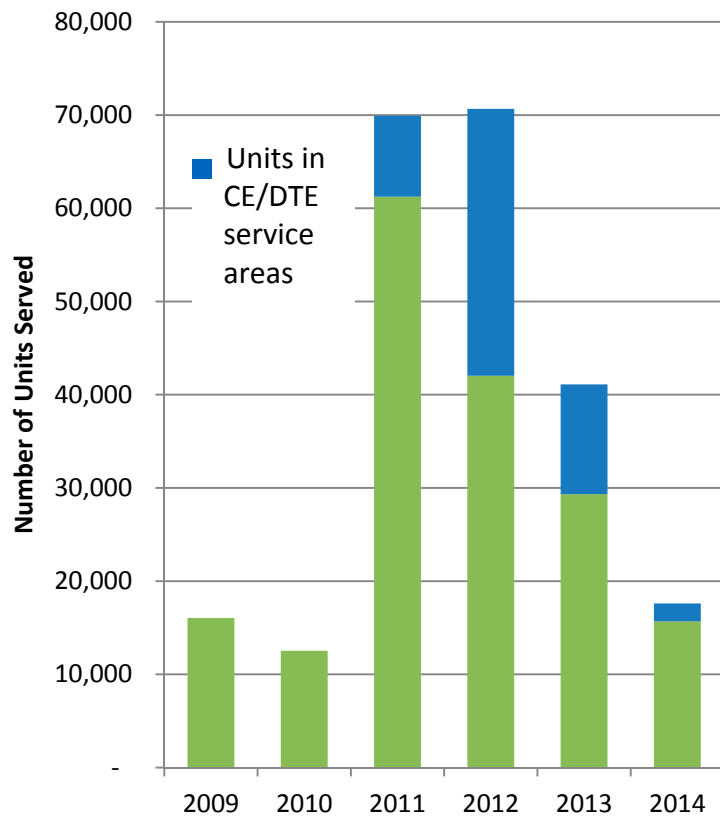
Energy Savings Potential

Program Element	Investment for Property Owners	Upgrade Scope Examples
In-Unit Direct Install	Free; small to medium time commitment	CFL and LED bulb change-out, showerheads, and bath & kitchen faucet aerators. Addition of furnace tune-ups & pipe wrap.
Common Area Direct Install	Free; small time commitment	CFL and LED bulb change-out, and bath & kitchen faucet aerators. Addition of furnace tune-ups & pipe wrap.
Prescriptive	Small to medium investment; small to medium energy savings	Incentives for HVAC, Lighting, and Building Envelope.
Custom	Typically larger investment for creative and/or comprehensive projects; higher energy savings	Custom incentives developed for non-prescriptive upgrades not found in the MEMD
Multiple Measure	Greatest investment; potential for deep energy savings; increased incentives to attract investment.	Whole building upgrades, in-unit plus common area investment.

Number of Households Served

Nearly 230,000 tenant units served to date

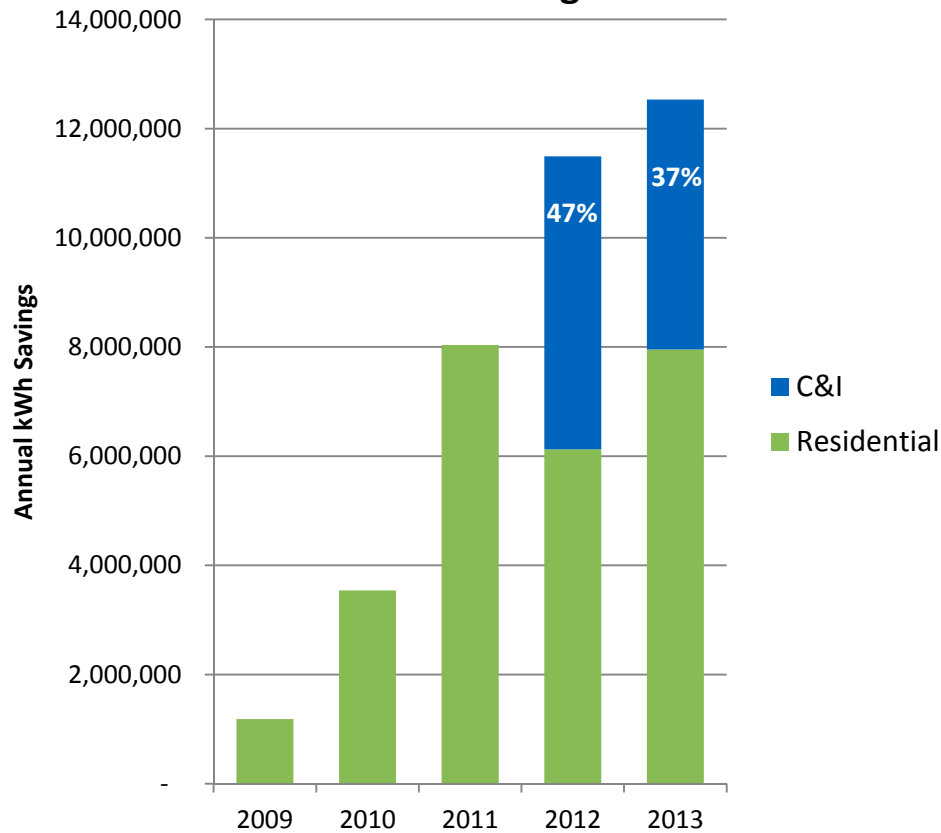
Over 20% served in collaboration with DTE Energy



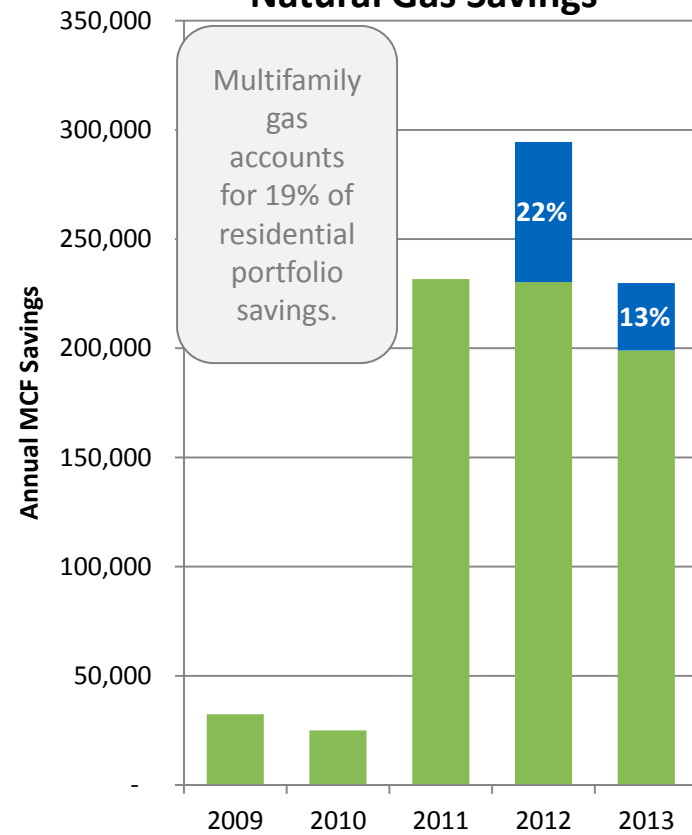
Energy Savings to Date

Over 36,000 MWhs and 800,000 MCF saved through 2013

Electric Savings

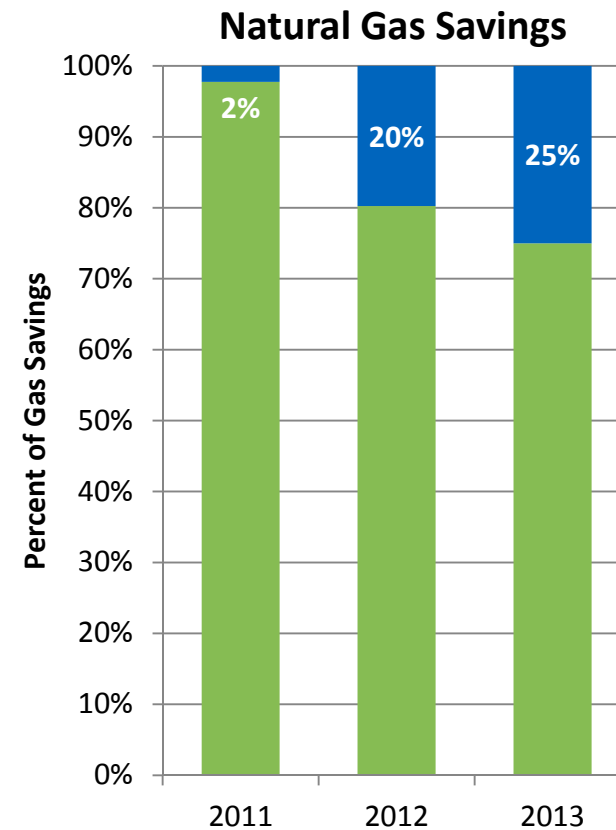
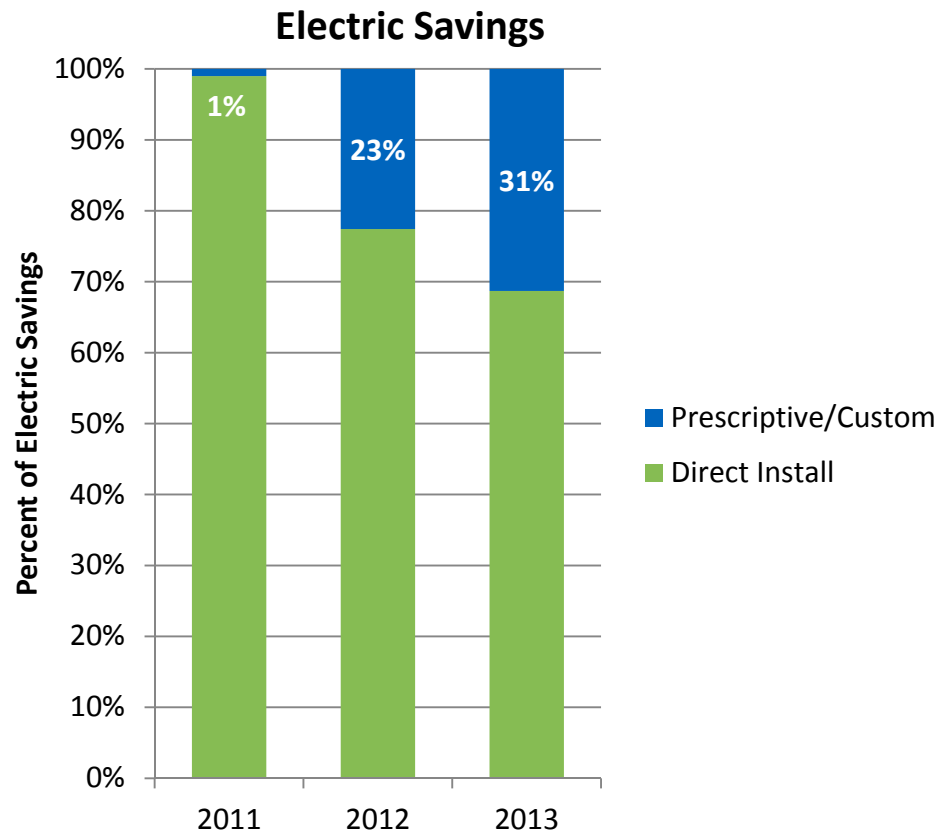


Natural Gas Savings



Drive for Comprehensive Savings

Prescriptive and custom savings represent increasing proportion of savings each year



Case Study

7

CUSTOMER

Regency Square Apartments
Kalamazoo, MI
Trident Companies

PROPERTY DETAILS

7 Buildings
144 Units
Built in 1968

PROPERTY IMPROVEMENTS

- Parking Lot Lighting
- Canopy Lighting
- Carport Lighting
- Hallway LED Lighting
- In-Direct Water Heating
- Flat Roof Insulation

PROJECT SAVINGS

Incentive: \$21,300.00
Annual Energy Cost Savings:
\$11,400.00 (predicted)

A program energy advisor conducted a free energy audit to identify energy saving measures, energy cost savings for the owner, and financial payback schedules. Trident Companies property manager Steven Alkema reports, “the best part of the program was working with the energy advisors who walked us through the program and performed an energy assessment. I will definitely work with Consumers Energy Multifamily Whole Building Program when we purchase another property and look forward to working with everyone again.”



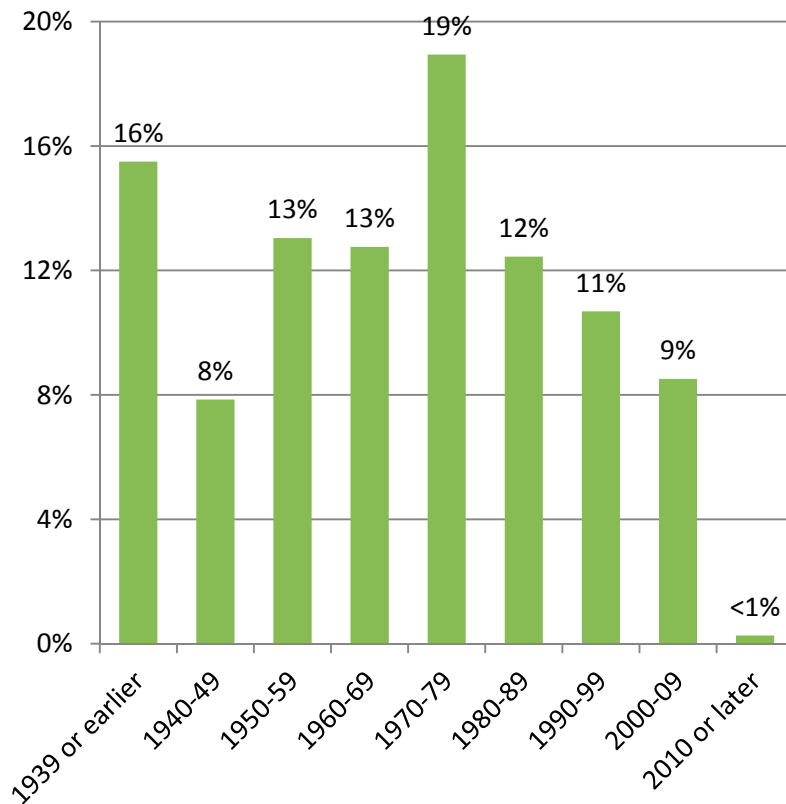
“Our residents have been thrilled with the upgrades. They appreciate the consistent heat and hot water, which was an issue before we replaced the boilers and domestic hot water heaters.”



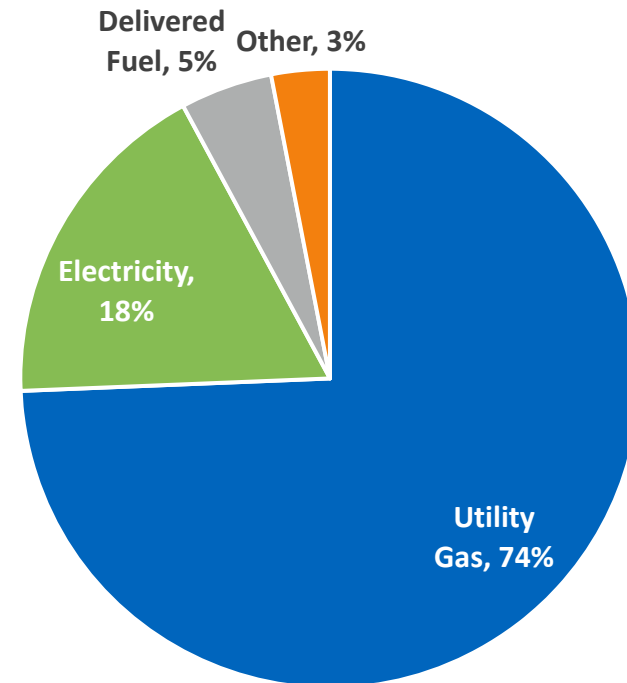
- **Over a million rental units state wide**
 - About 40% of units are within Consumers Energy service area
 - Wide variation in:
 - Building vintage
 - Heating types
 - Number of units

Building Vintage and Heating Fuel

Building Vintage



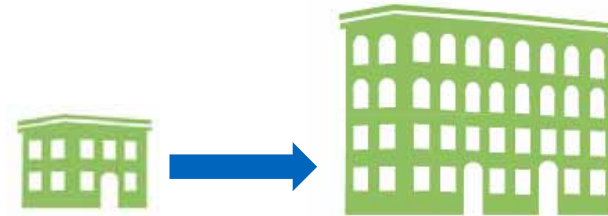
Heating Fuel Type



Facility Diversity

10

- FACILITY SIZE CAN RANGE FROM A FEW UNITS WITH ONSITE OWNER/MANAGER TO LARGE COMPLEXES MANAGED BY PROPERTY MANAGEMENT FIRMS



- PROGRAM STAFF WORK WITH MULTIPLE DECISION MAKERS IN A VARIETY OF ROLES



PROPERTY
MANAGERS



BUILDING
OWNERS



MAINTENANCE
TECHNICIANS



BOARD
REPRESENTATIVES



OTHER

- CONSUMERS ENERGY MAY PROVIDE ELECTRIC, GAS, OR DUAL FUEL SERVICE
- BUILDINGS MAY BE SERVED ON RESIDENTIAL OR COMMERCIAL RATE CODE
- UTILITIES BILLS MAY BE PAID BY PROPERTY MANAGER/OWNER OR TENANT OR A COMBINATION

- Consumers Energy conducted a survey to gather insight on:
 - Awareness of programs
 - Barriers and drivers to participation
 - Opportunities for program enhancements
- Interviewed 73 property owners and managers that participated in the program in 2013
- Respondents represented **26%** of electric savings and **29%** of gas savings achieved

Survey Respondents

73

RESPONDENTS

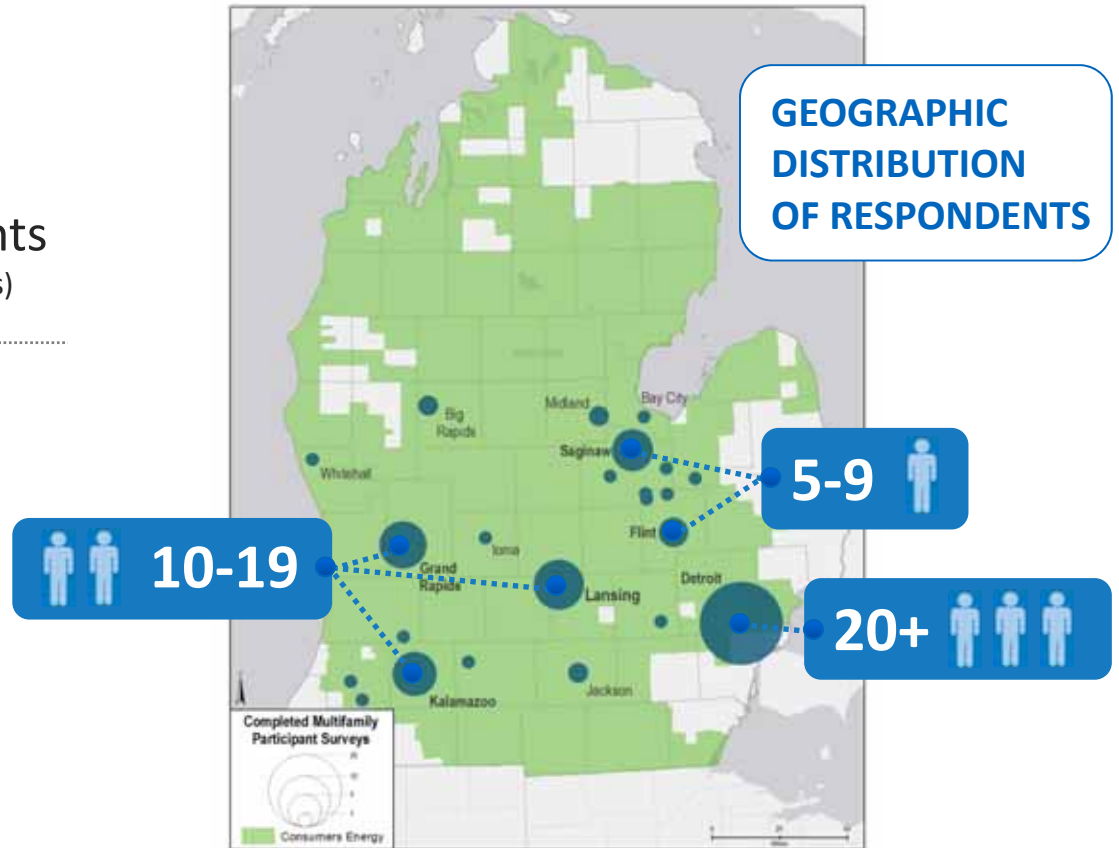
covering all program segments
(with some participants in multiple segments)

60 DIRECT INSTALLS

10 CUSTOM

08 PRESCRIPTIVE


01 COMPREHENSIVE



Survey Respondents

13

FACILITY SIZE

 n=73



22%

**3-24
UNITS**



9%

**25-49
UNITS**



15%

**50-99
UNITS**



28%

**100-199
UNITS**



26%

**200+
UNITS**

ROLES AT THE FACILITY



61%

**PROPERTY
MANAGER**

n=43

**63% - Onsite
37% - Offsite**



20%

**BUILDING
OWNER**

n=14



13%

**MAINTENANCE
TECHNICIAN**

n=9



4%

**BOARD
REPRESENTATIVE**

n=3



3%

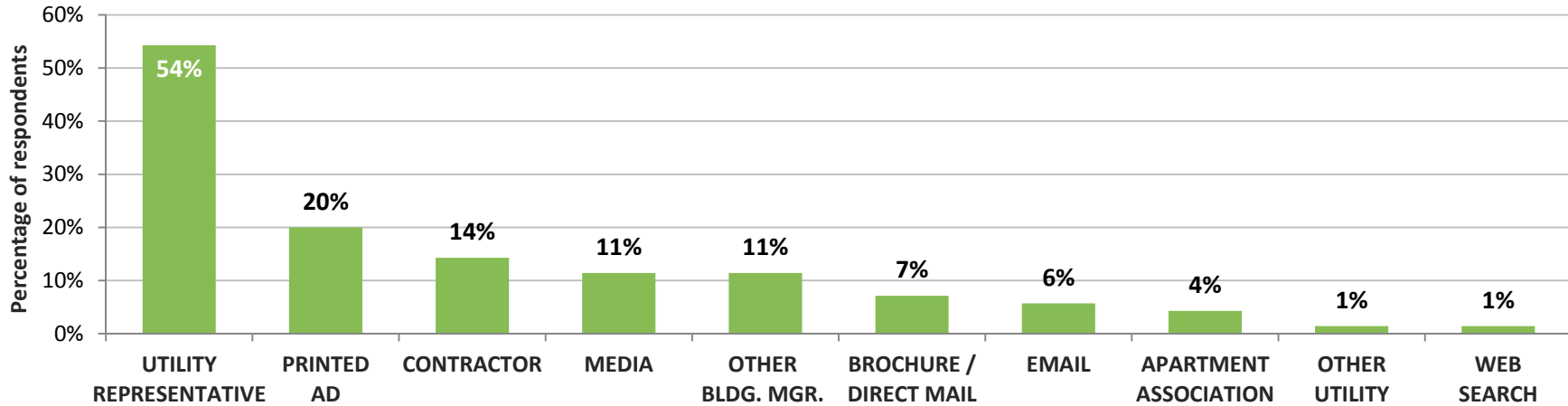
OTHER

n=2


Program Awareness

HOW RESPONDENTS HEARD ABOUT THE PROGRAM

 n=70  r=92



MARKETING MATERIALS RECEIVED

 N=71

89%
OF RESPONDENTS
RECEIVED
MARKETING
MATERIALS



51%
BOOKLET
/ CATALOG



13%
MAIL



10%
CONTRACTS
/ RELATED
DOCUMENTS



5%
EMAIL



5%
FACT
SHEET



3%
BILL
INSERT



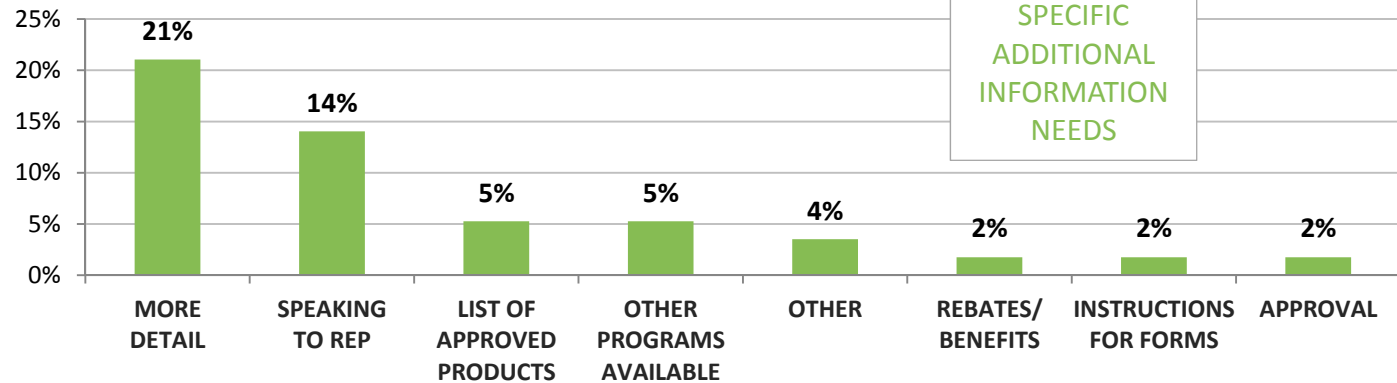
3%
TENANT
NOTICE

Communication Needs and Preferences

ADDITIONAL INFORMATION NEEDED PRIOR TO PARTICIPATION

 n=57

55%
OF RESPONDENTS
SAID THEY NEEDED
ADDITIONAL
INFORMATION TO
MAKE A DECISION
TO PARTICIPATE



COMMUNICATION PREFERENCES

 n=72  r=104



58%
EMAIL



38%
DIRECT
MAIL



19%
PHONE
CALL



14%
IN-PERSON
VISIT



7%
BUSINESS
COLLEAGUES



3%
EMAILED
NEWSLETTER



1%
BILLBOARDS



1%
NEWSLETTER

Multi-step Journey for the Multifamily Customer



The Multifamily Solutions program relies on direct, personal outreach to initially engage customers and inform them of the program and help them through the stages of participation.

MULTIPLE MEASURE
(WHOLE BUILDING)
IMPROVEMENTS



PROPERTY
OWNER/MANAGER
INVESTMENT



COMMON
AREA
MEASURE
INSTALLATION

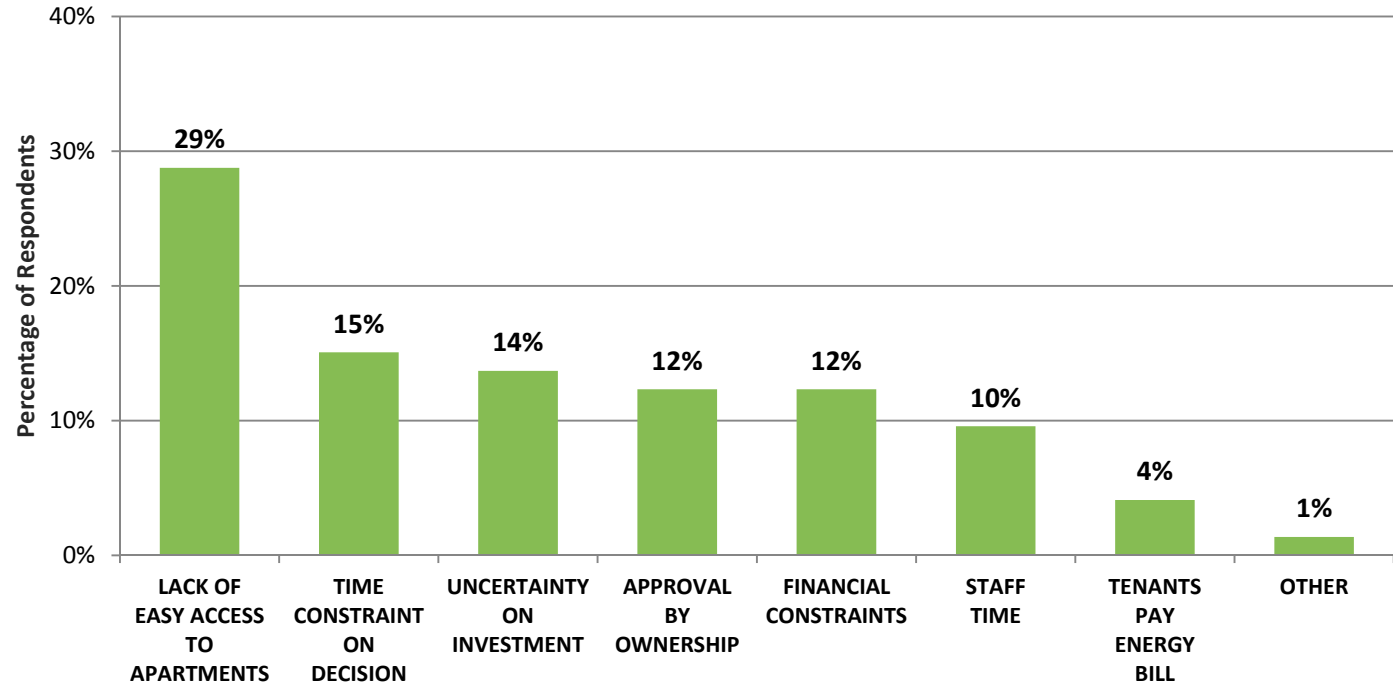
IN UNIT
DIRECT INSTALL
MEASURES



Participation Barriers

 n=73  r=99

38%
OF RESPONDENTS
REPORTED NOT
HAVING ANY
PROBLEMS OR
BARRIERS.
The rest of respondents
reported the following
barriers:



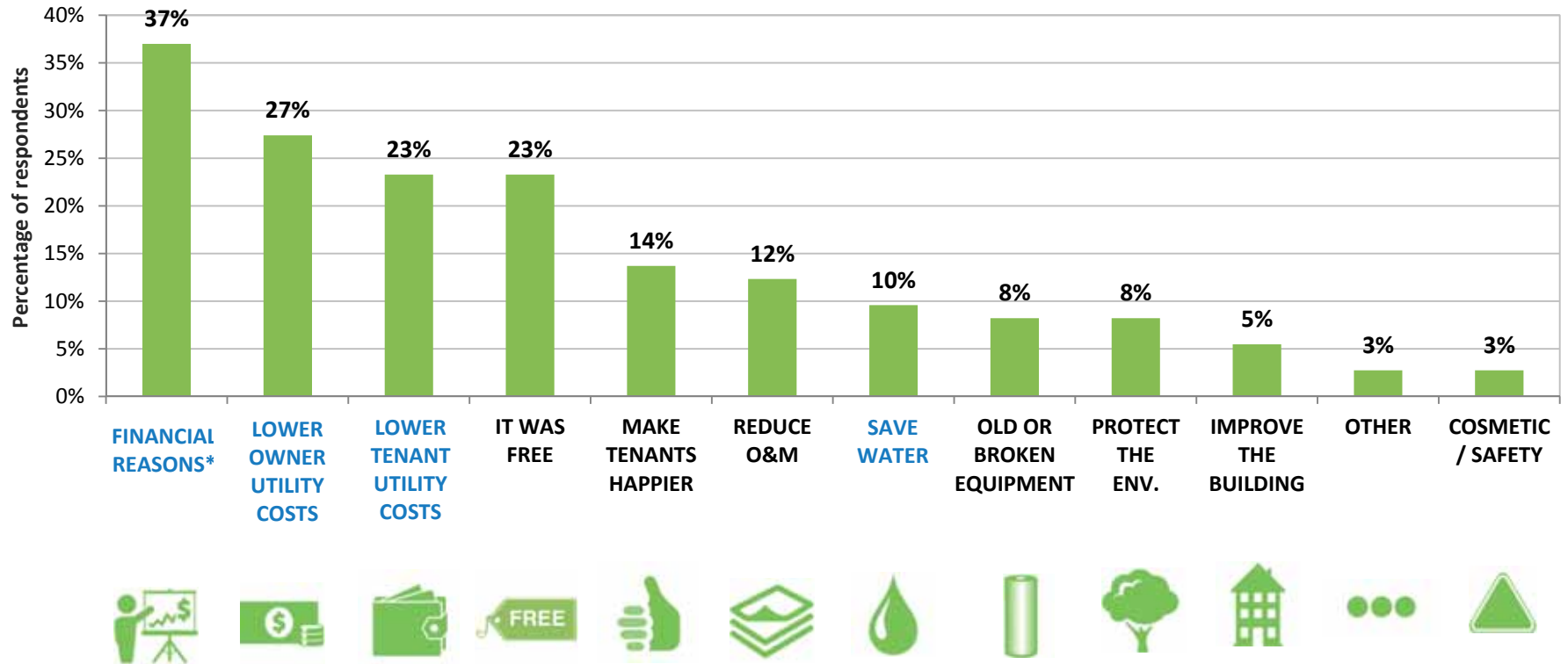
*"It took an **employee's day**. I had to pay him a day and a half of wages to watch someone else do the work."*

*"We were apprehensive about **costs associated with [DI]** the program."*

*"We were concerned about the amount of **paperwork**."*

Participation Drivers

 n=73  r=174

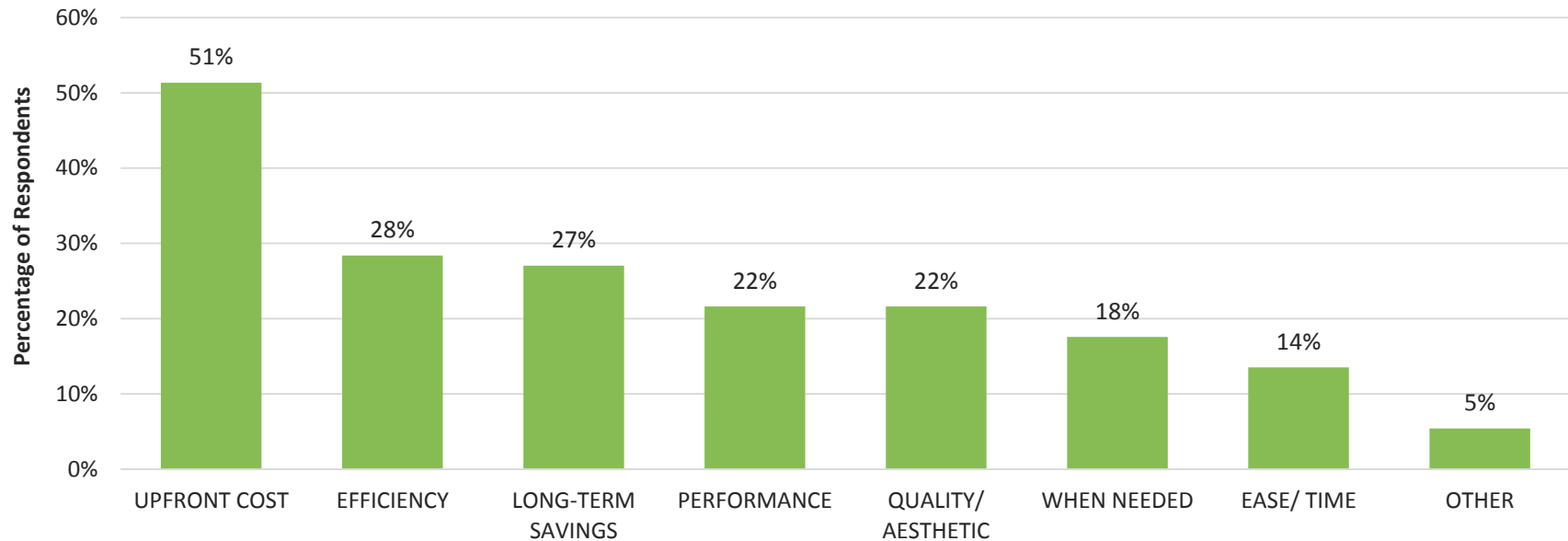


*Includes: Energy/cost savings, Rebate, Energy Efficiency.

Equipment Purchase Considerations

19

 n=73  r=138




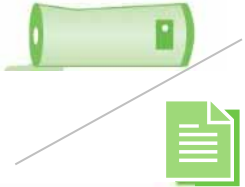


REPLACE AS NEEDED

- *“Equipment is replaced as needed.”*
- *Maintenance vs. capital improvements*

MULTI-FACETED REQUIREMENTS

- *Success = **save** money + **competent** contractor + **limited tenant disruption***
- *“**Price, quality, and ease** of installation are key.”*


Challenges and Opportunities

	Challenges	Opportunities
	Over 50% of respondents reported up-front cost as the number one driver when choosing which equipment to install, but nearly 30% of respondents report efficiency and long term savings as a consideration when purchasing new equipment.	Incentives help to offset the higher first cost of efficient equipment. Lifecycle cost analysis that considers lower operating costs and other non-energy benefits help to make that case for investment.
	Some respondents reported that new equipment was installed only as needed (when other equipment failed).	Help property owners/managers develop a long term plan so that they can choose efficiency when replacing equipment or making major renovations.
	Not having access to tenant apartments presents a participation challenge for property owners and managers.	Partner with owners or managers to effectively communicate with tenants about the implementation process and potential benefits to them.
	54% of PMOs pay the tenant gas bill and 13% pay tenant electric bills .	Target facilities where the owner pays some or all of the utility bills. Because many PMOs are often responsible for water bills, the nexus of water and energy savings is a persuasive tool for gaining participation

- **Barriers to investment in energy efficiency are widely recognized in the multifamily sector**
 - Split incentives
 - Multiple decision makers
 - Availability of capital
 - Tenant communication and coordination
 - Equipment savings and performance

Best Practice Approaches to Address Multifamily Challenges

	Split Incentives	Challenges		Tenant Acceptance and Convenience	Savings and Performance Certainty
		Multiple Decision Makers	Capital Availability		
Best Practice Approaches	One Stop Shop: PMO Support throughout Project Lifecycle		✓		✓
	Multiple Participation Pathways: Direct Install and Rebate Options	✓		✓	
	Multi-Measure (Whole Building) Approach	✓			✓
	Trade Ally Network		✓		✓
	Coordination between Gas and Electric Utilities		✓		✓
	Financing Options	✓		✓	

- Multiple participation paths
- Increased incentives for deeper savings
 - Multi-measure installations
- Multi-sector funding base
 - Residential and C&I
- Partnership with  and others
- Adoption of new technologies
 - Example: direct installation of LEDs
- Growing trade ally network
 - <http://www.consumersmultifamilysavings.com/trade-ally.html>

Coordination Opportunities

