

21st Century Energy Plan

Energy Efficiency Workgroup
Energy Efficiency Program
Strawman Proposal Development
June 6, 2006 Meeting

Overall Objective

- Develop a proposal for a permanent and comprehensive energy-efficiency and load management program for the State of Michigan

Key Objectives

- Develop a Michigan specific analysis of achievable energy-efficiency potential
- Develop a economically justified annual spending level for a statewide program
- Develop the foundational structure of a statewide program and a plan to implement it

Energy Efficiency Initiative Strawman

- Should a public benefits fund of \$---- million per year should be created for funding a statewide electric energy-efficiency (EE) program?
- Should program administration be by (1) utilities; or (2) by a third party?
- What state regulatory body should have oversight over the statewide EE program?
- Should funding levels be established by statute or by the regulatory agency?

Strawman Continued

- Should regulated utility participation in the statewide EE program be voluntary or required?
- Should municipal utilities or retail electric cooperatives be required to participate or may they opt into the statewide EE program at their discretion?
- Should large energy customers have an opportunity to opt out of the statewide EE program?

Strawman Continued

- Should fees collected by utilities from customers be approved in a general rate-case proceeding?
- Should the MPSC determine the amount to be recovered by rate class or by a uniform per-unit charge on all customers?
- Should program costs be rolled into utility distribution charges or be separately stated on customer bills?
- Should program costs be capitalized by utilities and amortized over a Commission determined period, or should program costs be expensed?

Strawman Continued

- Should the state regulatory body conduct or contract for financial and performance audits?
- How can cost effective program administration be ensured?
- Should the MPSC be required to institute revenue decoupling trackers for utilities to deal with the issue of EE induced revenue losses?

Strawman Continued

- How can a statewide EE program promote Michigan energy-efficiency manufacturers, suppliers, and service providers?
- Should EE program targets be separate from, and not exchangeable with renewable energy portfolio targets?
- Should the MPSC determine to what extent federal LIHEAP appropriations may be applied to the statewide EE program?