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*Design & Implementation Workgroup Meeting
07/20/2010 minutes*

Meeting begins with introductions.

Program Updates:

John Sarver – Stephanie BES – increased appliance rebates and standards program still is not moving at a pace they would like.

Adding storage and tankless hot water heaters next month. Raising furnace rebates with a qualified ECM. Hoping this will move the program much faster.

Michigan Energy Options will be administering this program starting Aug. 1st. Not retroactive.
www.michrebate.com

Water heaters are \$300, furnaces are \$500.

Work with utilities? Can not take wait listed people from utility programs. Only new purchases. Can use them with the utility rebates and federal rebates.

Questions about the program? Call Michigan Energy Options: 888-mich-nrg
www.michrebate.com, encourage customers to go to the website and get on the reservation system. Reservation is good for 2 weeks.

Advertising? Retailer or contractor. Fall advertising marketing campaign. Aug. 1. Press release will go out on Aug. 1.

Must be a replacement appliance. No new homes without existing appliance qualify. No apartment managers can apply. Residential homeowners only. Someone who buys a furnace today is going to get quite a deal. This causes a problem for the utilities for next year. Utilities are disappointed that they were not able to collaborate with BES on this. No savings credit for the utilities because they did not coordinate with BES.

Consumers Energy will be informing the implementation coordinators about the program and directing them to the appropriate place.

DELEG is an equal opportunity employer/program.
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

Efficiency United is running a furnace program also and is running into the same problem as the utilities. They have a lot of propane and thought maybe they could coordinate with BES, but it was not possible. They are concerned. They don't want the customer to go around them.

It is possible DELEG has restrictions on the amounts of rebates they had to offer.

New Items:

Potential study is a go.

We want to improve our Commission website. It has been updated to make it more customer friendly. It's a start.

Are Consumers or DTE discussing anything about a web portal? It is doubtful.

HPwES – DTE Amended refilling – Rob – where should we take this area? Emmett – we are piloting this area and we are testing this area and seeing what we need to get – it's not clear. Teri – based on Jackson Comm. College they are running BPI classes. Beth - Basically it seems like everyone is doing their own thing. Dollars need to be spent by June of next year. There have been a lot of discussion and there just doesn't seem to be a lot of employer driven need. Having that a la carte thing across the state is not a bad thing. Teri – we will be ramping up our demand next year.

Energy Optimization Service Companies:

Bond requirements - \$100,000? Do you tie it to the no. of customers? Do you have a minimum amount to become a service company?

Credit checks? Should have some sort of credit worthiness.

WARM has a document that they are working on and MCAAA also has one – these could be good tools to work with.

Any requirement for Michigan residency? Not at this time. Maybe an established local office.

What recourse would the customer have if the EESCo went out of business? The customer would have to go to the list and find another provider. This may cause them to miss their targets.

We (MPSC) are keeping the list posted on the website.

More clarification about potential penalties? Probably in the description of the bond. Invoke the bond only if the company goes out of business? The EESCo should have something in place in the contract that holds them liable. Penalties will be initiated through a commission proceeding. The customer would then have to go to court to get relief from the bond?

If the EESCo is short, who pays? Everybody?

The plan submitted to the provider will spell out the individual customers. This allows the utility to be able to suspend the customer's surcharge.

O-Power:

Pete – pilot – Positive Energy now O-Power – software company helping electric and gas companies through opt out filtering customers – selecting a group of customers and putting them in a control group to very accurately measure savings in a 1 year pilot. Gauge the potential savings within a service territory. Roll out once a territory has been selected – via a customer portal – the best way to convince a customer to lower their utilities is to compare their usage to another customer's usage. Once you give this information to a customer they tend to lower their usage by 1½ to 3 ½ %.

DTE is going to be implementing a pilot? Yes, and consumers will also.

What does the report contain? It's a front and back 1 page color report. You vs. your neighbor's usage. The information comes from the utility. It compares you to a house of comparable size, age, etc. Provide these reports with a proactive approach without as much input from the customer. Make sure the right programs are exposed to the right customers. Low income, renters, etc. You are provided very targeted tips and ideas to implement to lower your bill. Less than 1% opt out of receiving this information. These reports go to the customer multiple times a year so they can monitor their changes and improvements. There's a profile on the website that the customer can update information when changes in the home take place. The information is sent in a Consumers Energy envelope (or DTE) just like a bill would show up. They also receive a letter explaining why they are receiving the report and how many more reports they will receive over the next year. E-versions are available.

No deemed savings available. Savings are calculated at the end of the year when savings are measured. No free ridership or spill-over.

How is the utility information protected? Secure environment in Texas. Very tight controls on what they are allowed to do with the data. It is strictly for the benefit of the utility.

Set up as a stand alone EE program. The primary driver of this program is the comparison of customer's utilities usage to one another. If your report shows you use more electricity than your neighbor the report will give you options to lower your usage. It is all based on your home, your appliances, your demographics, etc. You can always call the 800 no. and ask the customer service rep for help.

Have about 3 years worth of data – takes about 4 months for the client to ramp up. 1st year of the curve follows the peak. Year to year continues to peak up. 2% the second year. So far the savings continue to ramp up. Fluctuation between low income, renters, seniors, etc. The highest savings come from the group using the most amongst that group.

Consumers pilot? Combination service territories. 50,000 customers.

Feedback from customers? Are they really reading the reports? Surveys by the utilities (third party) universally positively received. More than 40% share this info with their family more than 80% do something with the information. 75% readership during the year. It helps that the information comes from the utility provider.

Roofing as EO?:

Running into neighborhoods where roofing is an issue. Are there any unique issues? Can't insulate a home because the roofing needs replacing.

The CAA's have been dealing with that for a long time.

In many cases these residents are not going to have high enough scores to qualify for Michigan Saves.

Structural repairs can soak up a lot of money. \$6-10,000.

MSHDA PIP (property improvement program) could be a solution.

What happens to these homes? The utility has to walk away. Detroit especially has a great deal of middle to low income homes that are suffering from this issue.