

**To:** Patricia Poli, Manager Energy Waste Reduction Section, Michigan Public Service Commission (PSC)

**From:** Noah Purcell (Energy Analyst, EcoWorks), Alexis Blizman (Policy Director, Ecology Center), Melanie Moore (Midwest Field Director, Union of concerned Scientists), Laura Goldberg (Midwest Energy Efficiency Advocate, Natural Resources Defense Council), Nikhil Vijaykar (Senior Policy Associate, Midwest Energy Efficiency Alliance), Sharonda C. Williams-Tack, Esq. (Environmental Justice State Coordinator, Sierra Club)

**Date:** April 14, 2017

**Re:** Additional Assumptions and Scenarios Informing Energy Waste Reduction Potential Study  
**VIA Email to:** polip@michigan.gov

EcoWorks hereby submits these comments on behalf of the above-signed organizations, each of which is committed to supporting the growth of energy efficiency and renewable energy in Michigan's low-income communities, including both in single family and multifamily buildings.

For the past three years, EcoWorks has been helping to facilitate broad cross-sector conversations and learning about energy efficiency in affordable multifamily buildings under the umbrella of Michigan Energy Efficiency for All (MEEFA). These activities have drawn in stakeholders from the affordable housing, financing, utility, regulatory, state agency, clean energy advocacy, energy efficiency implementer, and low-income advocacy arenas. A recurring theme in these conversations has been the role that utility Energy Waste Reduction programs play in increasing energy efficiency in affordable multifamily buildings. While comments have been influenced by those conversations, they are only submitted on behalf of the above signatories.

We appreciate this opportunity to participate in the Energy Waste Reduction workgroup and offer these comments on the key issues it is addressing; including the development of assumptions and scenarios informing a Michigan Energy Waste Reduction Potential Study as per Public Act 341 Section 6t.(1)(a). The brief comments below are organized corresponding to the three levels of energy waste reduction potential that the PSC will likely be evaluating (Technical, Economic and Achievable).

*Technical Potential: Inclusion of Low-Income Measures*

Our understanding is that the Energy Waste Reduction potential study will include measures in the 2016 Michigan Energy Measures Database (MEMD). We recommend that the PSC look beyond the MEMD and consult other sources and databases of energy efficiency measures in order to ensure that its evaluation of the potential for energy waste reduction in low-income Michigan households is exhaustive. These sources might include databases used in other jurisdictions, such as the Illinois Technical Reference Manual; as well as Potential for Energy

Savings in Affordable Multifamily Housing in Michigan released by the Energy Efficiency for All project.<sup>1</sup>

*Economic Potential: Cost Effectiveness of Low-Income Programs*

Ratepayer funding for low-income programs is justified based on the social value they create beyond energy savings. The PSC, therefore, does not require that energy waste reduction programs designed by utilities for low-income households pass cost-effectiveness testing. As such, it is not reasonable for the potential study to exclude from Economic potential energy waste reduction measures targeted at low-income communities on the basis of a Utility Cost Test (UCT) score lower than 1.0 – nor a UCT score lower than 0.5 as done in the Consumers Energy and DTE 2016 Energy Waste Reduction Potential studies. The potential study should identify the technical potential for low-income energy waste reduction measures, and evaluate these measures based on the totality of benefits that they provide to low-income households (including but not limited to non-energy benefits such as household health, comfort and safety), without screening these measures on the basis of their UCT score. This would allow the PSC to better assess the totality of energy waste reduction potential in the low-income sector.

*Achievable Potential: Adoption Rate*

Consumers Energy and DTE 2016 Energy Waste Reduction Potential studies assumed that the low-income sector would have an initial year adoption rate of 80%. These studies also assumed that the sector would have an unchanged adoption rate following 10 years, based on an assumption that it would take 20 years to achieve ultimate adoption in the low-income sector. We recommend that the Energy Waste Reduction Potential Study incorporate growth in the adoption rate within the low-income sector, or provide a basis on which low-income measures are expected to take 20 years to reach all customers in that sector.

We look forward to continued and productive engagement with the PSC as it gathers input from the public to set modeling parameters and assumptions for utilities to use in filing integrated resource plans as per 2016 PA 341 Section 6t.

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<sup>1</sup> “Potential for Energy Savings in Affordable Multifamily Housing.” Energy Efficiency for All. May 2015. Available at: <http://www.energyefficiencyforall.org/sites/default/files/EEFA%20Potential%20Study.pdf>.