



## Fact Sheet: Expanding Michigan's Energy Optimization Standard

### Introduction

Michigan's *Clean, Renewable and Efficient Energy Act* (Public Act 295 of 2008) requires electric and natural gas utilities to create plans to comply with the state's Energy Optimization Standards (EOS) by meeting specific energy savings targets. Michigan's EOS is a step in the right direction, but it leaves potential savings untapped with a standard that is lower than other Midwestern states' energy efficiency goals. Our analysis demonstrates the potential benefits to Michigan's residents and businesses of a more stringent EOS.

Presented below are the impacts, in 2025, of Michigan's current EOS and several alternative standards that Michigan could adopt to increase its energy efficiency savings. The highest savings would come from a standard of 2.0% annual savings by 2015.

### Comparison of Energy Optimization Standards for Electricity and Natural Gas

Electrical EOS	Predicted change from 2009 energy needs	Cumulative customer bill savings by 2025	Size of energy efficiency workforce in 2025	Annual carbon dioxide emission reduction
<b>1.0% by 2012</b> <i>(Current Michigan EOS)</i>	-5.7%	\$11.0 billion	2,618	12.2 MMT
<b>2.0% by 2015</b> <i>(Equiv. to IL and MGA standards)</i>	-16.7%	\$17.2 billion	4,423	20.6 MMT
<b>2.0% by 2019</b> <i>(Equiv. to OH and IN standards)</i>	-15.1%	\$15.6 billion	4,152	19.3 MMT
Natural Gas EOS	Predicted change from 2009 energy needs	Cumulative customer bill savings by 2025	Size of energy efficiency workforce in 2025	Annual carbon dioxide emission reduction
<b>0.75% by 2012</b> <i>(Current Michigan EOS)</i>	-7.9%	\$4.4 billion	1,851	4.0 MMT
<b>1.5% by 2015</b> <i>(equiv. to MGA standards)</i>	-16.0%	\$7.0 billion	3,199	7.0 MMT
<b>1.5% by 2019</b> <i>(equiv. to IL standard)</i>	-14.8%	\$6.4 billion	3,004	6.6 MMT