

# **Village of Union City Energy Optimization Annual Report for 2014 MPSC Case No. U-16275**

## **Introduction**

Pursuant to 2008 Public Act 295 (PA 295), the Village of Union City is filing this annual energy optimization (EO) report with the Michigan Public Service Commission (MPSC). This EO annual report consists of three sections:

- Section 1 will address the requirements under PA 295 Section 97, Subsections 1-3 and Section 71, Subsection 3 (i).
- Section 2 will summarize the EO programs implemented in 2014.
- Section 3 will provide additional information and goals for 2015 programs.

## **SECTION 1: PA 295 SECTION 97 SUBSECTIONS 1-3 REQUIREMENTS**

***Section 97 (1) Each provider shall submit to the commission an annual report that provides information relating to the actions taken by the provider to comply with the energy optimization standards.***

The Village of Union City has taken the following actions to comply with the EO standards:

- Filed an Energy Optimization plan with the MPSC in 2012 as required by PA 295.
- This EO plan was approved by the MPSC.
- Provided energy optimization programs for all customer classes in 2014.
- Overall administration of the EO programs was the responsibility of Village of Union City personnel.
- Administration and implementation of the EO programs were the responsibility of Village of Union City personnel.
- Education for both Residential and Business was implemented by Village of Union City personnel.
- An independent evaluation for the verification of incremental energy savings for each energy optimization program was performed. All documentation of every purchase, rebate or low income qualification is on file.

**Section 97 (2) Annual reports under subsection (1) shall include the following: (a) The number of energy optimization credits that the provider generated during the reporting period. (b) Expenditures made in the past year and anticipated future expenditures to comply with this subpart. (c) Any other information that the commission determines necessary.**

In the fall of 2009, the MPSC staff approved an interim report format for all the municipal utilities in Michigan. That interim report details the energy optimization credits generated, expenditures and surcharges collected from customers in the past year. The end of year interim report for 2014 can be found in Attachment A. Future expenditures for 2015 are expected to follow the EO Plan filing that was submitted and approved in 2012. Exceptions to that plan filing will be explained in Section 3 of this report.

**Section 97 (3) Concurrent with the submission of each report under subsection (1), a municipally-owned electric utility shall submit a summary of the report to its customers in their bills with a bill insert, to its governing body, at its office and on its website.**

The Village of Union City will submit a copy of this annual report to its governing body, and put a notice in the paper and on the utility bills that it is available at the Village Office for public inspection.

**Section 71 (3)(i) Include a process for obtaining an independent expert evaluation of the actual energy optimization programs to verify the incremental energy savings from each energy optimization program for purposes of section 77.**

The Village provided free CFLs to residential customers. The low income program also provided free CFLs to customers. This allowed the Village to document all CFLs distributed. Rebates were offered to the commercial sector for improvements in lighting efficiencies. The Village therefore allocated funds towards the program instead of an outside contractor.

## **SECTION 2: SUMMARY OF EO PROGRAMS IMPLEMENTED IN 2014**

### **Residential Low Income Services**

#### **Low Income Program Summary**

|                      | 2014 Goal | 2014 Actual | Difference |
|----------------------|-----------|-------------|------------|
| Energy Savings (kWh) | 2,098     | 2,098       | 0          |
| Budget (\$)          | \$1,903   | \$ 127      | 1,776      |

### ***Residential Solutions***

The programs below were made available to all Village of Union City residential electric customers including low income.

#### **Efficient Lighting Program**

The Village of Union City distributed CFL light bulbs to our residential customers free of charge.

#### **Residential Education Services**

The Village of Union City provided in house educational programs to our customers through information in the utility bill. Budget funds for education are deemed to generate a proportional amount of the required energy savings for each program year in which the money is spent.

#### **Residential Program Summary**

Overall the 2014 residential programs, including low income, were successful. The tables below summarize the energy savings achieved and budget expenditures from the 2014 residential programs compared to the 2014 EO Plan goals.

#### ***Residential Energy Savings***

| <b>Program</b>     | <b>2014 kWh Goals</b> | <b>2014 kWh Installed</b> | <b>Difference</b> |
|--------------------|-----------------------|---------------------------|-------------------|
| Efficient Lighting | 88,816                | 172,738                   | 83,922            |
| Education Services | 2,384                 | 2,384                     | 0                 |
| Total              | 91,200                | 175,122                   | 83,922            |
|                    |                       |                           |                   |

#### ***Residential Budget Summary***

| <b>Program</b>     | <b>2014 Budget</b> | <b>2014 Expenditures</b> | <b>Difference</b> |
|--------------------|--------------------|--------------------------|-------------------|
| Efficient Lighting | \$19,329           | \$8,952                  | 10,377            |
| Education Services | \$1,967            | \$100                    | 1,867             |
| Total              | \$21,296           | \$9,052                  | 12,244            |
|                    |                    |                          |                   |

### ***Business Solutions***

The programs below were made available to all Village of Union City commercial and industrial customers.

#### **Efficient Lighting Program**

The Village of Union City offered a percent savings on all efficient lights and ballast installed in our commercial and industrial customers facilities.

#### **Business Education Services**

The Village of Union City provided customers with information in their utility bill. The program required that a lighting study be conducted in their facility to educate customers on the benefits of energy efficiency, and load management. Budget funds for education are deemed to generate a proportional amount of the required energy savings for each program year in which the money is spent.

#### **Business Program Summary**

There were no participants in the 2014 business program. The energy savings were achieved for the business program with the savings in the residential program.

### **SECTION 3: ADDITIONAL INFORMATION AND 2015 EO PROGRAMS**

This section provides additional information to 2014 programs and a summary of the 2015 Energy Optimization programs.

#### ***Recovery of Costs from Customers***

The Village of Union City did collect surcharges in 2014 as laid out in the EO Plan submitted to the MPSC.

#### ***Coordination of Energy Optimization Programs;***

The Village of Union City has and will continue to meet with other utilities and agencies, as needed, regarding the coordination of programs. In addition, the Village of Union City has participated in the EO Collaborative meetings hosted by MPSC through our membership in Michigan Municipal Electric Association (MMEA).

#### ***New Energy Optimization Programs for 2015***

The Village of Union City does not plan to launch any new programs in 2015.

#### ***Summary of Energy Optimization Programs for 2014***

The table below shows: a) applicable revisions/adjustments from the 2014 programs; b) 2015 Plan Filing goals and 3) the revised energy savings and expenditure goals for 2015 programs.

## Attachment A

### 2014 Energy Optimization Program Portfolio

| Program Portfolio                       | 2014 Revisions        |                  | 2015 Plan Filing Goals |                | 2015 Revised Goals     |                |
|---|-----------------------|------------------|------------------------|----------------|------------------------|----------------|
|   | kWh Savings Revisions | Budget Revisions | Gross Year kWh Savings | Program Budget | Gross Year kWh Savings | Program Budget |
| Low Income Services                     | 2,098                 | 1,903            | 2,098                  | 1,903          | 2,098                  | 1,903          |
| Efficient Lighting                      | 88,816                | 19,329           | 88,816                 | 19,329         | 88,816                 | 19,329         |
| Refrigerator/Freezer Recycling          |                       |                  |                        |                |                        |                |
| Efficient Appliances/Electronics        |                       |                  |                        |                |                        |                |
| Efficient HVAC Equipment                |                       |                  |                        |                |                        |                |
| Educational Services                    | 2,384                 | 571              | 2,384                  | 571            | 2,384                  | 571            |
| <b>Subtotal - Residential Solutions</b> | <b>93,298</b>         | <b>21,803</b>    | <b>93,298</b>          | <b>21,803</b>  | <b>93,298</b>          | <b>21,803</b>  |
| Prescriptive Incentive Program          | 85,575                | 12,252           | 63,258                 | 12,252         | 63,258                 | 12,252         |
| Educational Services                    | 2,384                 | 571              | 2,384                  | 571            | 2,384                  | 571            |
| <b>Subtotal - Business Solutions</b>    | <b>87,959</b>         | <b>12,823</b>    | <b>65,642</b>          | <b>12,823</b>  | <b>65,642</b>          | <b>12,823</b>  |
| <b>Total Program Portfolio</b>          | <b>181,257</b>        | <b>34,626</b>    | <b>158,940</b>         | <b>34,626</b>  | <b>158,940</b>         | <b>34,626</b>  |
| Utility Program Administration          |                       | 1,967            |                        | 1,967          |                        | 1,967          |
| Evaluation (EM&V)                       |                       | 1,423            |                        | 1,423          |                        | 1,423          |
| <b>Subtotal - Admin/Evaluation</b>      |                       | <b>3,390</b>     |                        | <b>3,390</b>   |                        | <b>3,390</b>   |
|   | <b>181,257</b>        | <b>38,016</b>    | <b>158,940</b>         | <b>38,016</b>  | <b>158,940</b>         | <b>38,016</b>  |