

**Village of Union City
Energy Optimization Annual Report for 2011
MPSC Case No. U-15885**

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 2011.
- Section 3 will provide additional information and goals for 2012 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 a 4-year Energy Optimization plan with the MPSC on March 31, 2009 as required by PA 295.
- This EO plan was approved by the MPSC on July 1, 2009.
- Launched energy optimization programs for all customer classes in November 2009.
- 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 2011 can be found in Attachment A. Future expenditures for 2012 are expected to follow the EO Plan filing that was submitted and approved in 2009. 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 2011

Residential Low Income Services

Low Income Program Summary

| | 2011 Goal | 2011 Actual | Difference |
|----------------------|-----------|-------------|------------|
| Energy Savings (kWh) | 6,615 | 6,615 | 0 |
| Budget (\$) | \$ 350 | \$ 258 | 92 |

Residential Solutions

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

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 2011 residential programs were successful, even though the programs. The tables below summarize the energy savings achieved and budget expenditures from the 2011 residential programs compared to the 2011 EO Plan goals.

Residential Energy Savings

| Program | 2011 kWh Goals | 2011 kWh Installed | Difference |
|--------------------|-----------------------|---------------------------|-------------------|
| Efficient Lighting | 53,548 | 62,269 | 8,721 |
| Education Services | 1,764 | 1,764 | 0 |
| Total | 55,312 | 64,033 | 8,721 |
| | | | |

Residential Budget Summary

| Program | 2011 Budget | 2011 Expenditures | Difference |
|--------------------|--------------------|--------------------------|-------------------|
| Efficient Lighting | \$1,500 | \$1,979 | (\$479) |
| Education Services | \$293 | \$23 | 270 |
| Total | \$1,793 | \$2,002 | (\$209) |
| | | | |

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

Overall the 2011 business program was successful. The tables below summarize the energy savings achieved and budget expenditures from the 2011 business program compared to the 2011 EO Plan goals.

Business Energy Savings Summary

| Program | 2011 kWh Goals | 2011 kWh Installed | Difference |
|--------------------|-------------------|-----------------------|------------|
| Efficient Lighting | 53,946 | 56,118 | 2,172 |
| Business Education | 1,764 | 1,764 | 0 |
| Totals | 55,710 | 57,882 | 2,172 |
| | | | |

Business Budget Summary

| Program | 2011 Budget | 2011 Expenditures | Difference |
|--------------------|-------------|----------------------|------------|
| Efficient Lighting | \$7,406 | \$4,651 | 2,755 |
| Business Education | \$293 | \$ 20 | 273 |
| Totals | \$7,699 | \$4,671 | 3,028 |
| | | | |

SECTION 3: ADDITIONAL INFORMATION AND 2011 EO PROGRAMS

This section provides additional information to 2011 programs and a summary of the 2012 Energy Optimization programs.

Recovery of Costs from Customers

The Village of Union City did collect surcharges in 2011 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 2012

The Village of Union City does not plan to launch any new programs in 2012.

Summary of Energy Optimization Programs for 2012

The table below shows: a) applicable revisions/adjustments from the 2011 programs; b) 2012 Plan Filing goals and 3) the revised energy savings and expenditure goals for 2012 programs.

Attachment A

2012 Energy Optimization Program Portfolio

| Program Portfolio | 2011 Revisions | | 2012 Plan Filing Goals | | 2012 Revised Goals | |
|---|-----------------------|------------------|------------------------|----------------|------------------------|----------------|
| | kWh Savings Revisions | Budget Revisions | Gross Year kWh Savings | Program Budget | Gross Year kWh Savings | Program Budget |
| Low Income Services | 6,615 | 258 | 1,984 | 1,779 | 1,984 | 1,871 |
| Efficient Lighting | 62,269 | 1,979 | 83,971 | 18,070 | 75,250 | 17,591 |
| Refrigerator/Freezer Recycling | | | | | | |
| Efficient Appliances/Electronics | | | | | | |
| Efficient HVAC Equipment | | | | | | |
| Educational Services | 1,764 | 23 | 2,254 | 534 | 2,254 | 534 |
| Subtotal - Residential Solutions | 70,648 | 2,260 | 88,209 | 20,383 | 79,488 | 19,996 |
| Prescriptive Incentive Program | 56,118 | 4,651 | 59,807 | 11,454 | 57,635 | 14,209 |
| Educational Services | 1,764 | 20 | 2,254 | 534 | 2,254 | 534 |
| Subtotal - Business Solutions | 57,882 | 4,671 | 62,061 | 11,988 | 59,889 | 14,743 |
| Total Program Portfolio | 128,530 | 6,931 | 150,270 | 32,371 | 139,377 | 34,739 |
| Utility Program Administration | | 350 | | 1,779 | | 2,204 |
| Evaluation (EM&V) | | 500 | | 1,423 | | 1,703 |
| Subtotal - Admin/Evaluation | | 850 | | 3,202 | | 4,107 |
| | 128,530 | 7,781 | 150,270 | 35,573 | 139,377 | 38,846 |