

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission’s own motion,)
to open a contested case proceeding to develop and)
adopt a framework energy waste reduction program)
and to determine the alternative compliance payments)
for effective administration under MCL 460.1091)
for the following named parties: **ALPENA POWER**)
COMPANY, et al.)
_____)

Case No. U-21654

QUALIFICATIONS AND DIRECT TESTIMONY OF
KATIE J. SMITH
MICHIGAN PUBLIC SERVICE COMMISSION

August 2, 2024

QUALIFICATIONS OF KATIE J. SMITH
CASE NUMBER U-21654
PART I

1 Q. Please state your name, business address, and occupation for the record.

2 A. My name is Katie J. Smith and my business address is 7109 W. Saginaw
3 Highway, Lansing, MI 48917. I am employed by the Michigan Public Service
4 Commission (MPSC or Commission) as an Economic Specialist in the Energy
5 Optimization (EO) Section of the Energy Resources Division.

6 Q. Please describe your educational background.

7 A. I earned a dual Bachelor's degree in Finance and Economics from Lake Superior
8 State University.

9 Q. What is your work experience?

10 A. I worked for the Eastern Upper Peninsula Intermediate School District from 2006
11 to 2009, where I conducted data analysis and data processing of the Michigan
12 Educational Assessment Program (MEAP), as well as with several other
13 standardized tests. In August of 2009, I began employment with the MPSC as an
14 Economic Analyst working in the Energy Efficiency Section of the Energy
15 Resources Division, currently the EO Section. In June of 2018, I accepted the
16 position of Economic Specialist in the Resource Adequacy & Retail Choice
17 (RARC) Section within the Energy Resources Division. In February of 2020, I
18 transferred back to the EO Section.

19 Q. What does your work at the MPSC consist of and what training have you completed
20 related to that work?

21 A. I serve at the Commission as an Economic Specialist working in the EO Section.
22 Public Act 295 , amended by 342 of 2016, and amended again by 229 of 2023 (the
23 Act), requires regulated electric and natural gas utility providers to file energy waste

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1 reduction (EWR or energy efficiency) plans and annual EWR reconciliations. My
2 position in the EO Section includes assessing the reasonableness and feasibility of
3 the utility EWR plans and reconciliations. The amended Act now allows for
4 Efficient Electrification (EFEL) plans, which I also have oversight over. In
5 addition, I work on the demand response (DR) team to assess DR programs
6 proposed and implemented by utility providers.

7 In September of 2009, I attended the Building Financial Institute's
8 Building Analyst Training. This was a comprehensive home energy assessment
9 with coursework in building envelope evaluation, thermal and pressure boundaries,
10 air sealing, and building airflow standards and calculations. Furthermore, I
11 annually attend the National Association of Regulatory Utility Commissioners
12 (NARUC) Regulatory Studies Program when programs and subject matter are
13 presented that relate specifically to my duties. I have also traveled to conferences
14 and trainings that were provided nationally on the subjects of DR, forecasting, and
15 EWR.

16 Q. Have you previously filed testimony in proceedings before the Commission?

17 A. Yes. I have provided testimony in the following cases:

18	<u>Case No.</u>	<u>Description</u>
19	U-16180	Revenue Decoupling
20	U-16289	EO Plan Financial Incentive
21	U-16358	EO Plan Financial Incentive
22	U-16169	Revenue Decoupling
23	U-16472	Revenue Decoupling
24	U-16566	Revenue Decoupling

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1	U-16670	EO Plan Surcharge Clarification
2	U-16568	Revenue Decoupling
3	U-16794	Revenue Decoupling
4	U-16730	EO Plan Gas Transportation
5	U-16855	Revenue Decoupling
6	U-16999	Revenue Decoupling
7	U-17603	EO Plan Revenue Decoupling
8	U-17771	EWR Plan
9	U-18270	EWR Plan
10	U-18333	EWR Plan Reconciliation
11	U-18370	Revenue Decoupling
12	U-18419	Demand Response
13	U-18424	Revenue Decoupling
14	U-18999	Revenue Decoupling
15	U-20028	EWR Credits/Financial Incentive
16	U-20165	Demand Response
17	U-20164	Demand Response
18	U-20591	Demand Response
19	U-20563	Demand Response
20	U-20373	EWR Plan Amendment
21	U-20702	EWR Plan Reconciliation
22	U-20881	EWR Plan
23	U-20876	EWR Plan
24	U-20877	EWR Plan
25	U-20879	EWR Plan
26	U-20875	EWR Plan
27	U-21081	Integrated Resource Plan
28	U-21090	Integrated Resource Plan
29	U-21189	Integrated Resource Plan
30	U-21053	EWR PSCR

DIRECT TESTIMONY OF KATIE J. SMITH
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PART II

1 Q. What is the purpose of your testimony?

2 A. The purpose of my testimony is to describe Staff’s proposed Framework for
3 Energy Waste Reduction (EWR) programs to be administered by the State
4 Administrator, Efficiency United and the alternative compliance payment.

5 Q. Are you sponsoring any exhibits?

6 A. Yes. I am sponsoring the following exhibits:

7 Exhibit KJS-1 Framework Collaborative Presentation

8 Exhibit KJS-2 Energy Waste Reduction Framework for the State Administrator,
9 Efficiency United

10 Exhibit KJS-3 Notification of Intent to Join Efficiency United

11 Exhibit KJS-4 Provider Update to Efficiency United of Annual Sales Date

12 Q. Were these exhibits prepared by you or under your direction?

13 A. Yes.

14 Q. What part of Public Act 229 of 2023 (Act 229), which became effective on
15 February 13, 2024, directed the Commission to commence this contested case
16 proceeding?¹

17 A. Section 91(2) of Act 229, MCL 460.1091(2), provides that:

18 *[t]he commission shall initiate a proceeding by July 1, 2024 to adopt a*
19 *framework energy waste reduction [EWR] program that shall be utilized by the*
20 *independent energy waste reduction program administrator in administering a*
21 *program on behalf of a provider, and to determine the appropriate amount of*

¹ The [EWR and EFEL section](#).

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PART II

1 *alternative compliance payments for effective administration of energy waste*
2 *reduction programs consistent with that framework.*

3 Q. What did the Commission’s Own Motion direct staff to do in this case?

4 A. The Commission directed the Commission Staff (Staff) to host a collaborative and
5 work with the named parties and other interested persons to address the
6 framework of the EWR program related to the independent administrator and
7 alternative compliance payments.

8 Q. Did Staff host a collaborative as directed by the Commission’s Own Motion?

9 A. Staff conducted a collaborative on June 17, 2024, and the presentation is provided
10 in Exhibit KJS-1 Framework Collaborative Presentation.

11 Q. Who presented at the Framework Collaborative?

12 A. Staff and the State Administrator, Efficiency United (EU), presented via
13 PowerPoint.

14 Q. What did Staff present and discuss with interested parties at the Framework
15 Collaborative?

16 A. Staff presented on the purpose of the collaborative meeting, giving an overview of
17 the Commission’s Own Motion, the portion of the Act where the framework is
18 discussed, the new aspects of the Act that have caused change to targets and
19 spend, the alternative compliance payment, and Voluntary Efficient
20 Electrification (EFEL) plan options.

21 Q. What are the new aspects of the Act that were discussed and incorporated in the
22 Framework?

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1 A. The changes and amendments as a result of Act 229 for plans beginning January
2 1, 2026 that were discussed are an electric savings targets increase to 1.5%, a gas
3 savings targets increase to .875%, and a Low-Income electric expenditures
4 increase to 25% of total EWR spend by 2029, while Low-Income gas
5 expenditures is to increase to 35% of total EWR spend by 2029.

6 Q. What factors were discussed when considering the development of an alternative
7 compliance payment for new entry to EU?

8 A. Historically, the alternative payment amount was a fixed 2% of the previous
9 year's sales for both electric and natural gas. This changed, through an
10 amendment to the Act, in 2016 to not less than 2%. Currently, the companies
11 electing to join the EU program are assessed a per utility fee based on their
12 service territory needs, challenges, and currently approved targets. All utilities
13 electing the EU have different targets, either established as part of their Integrated
14 Resource Plan case proceedings or through EWR plan filings. These costs are not
15 below 2% but vary for each service territory. On average, regulated electric
16 companies who participate in EU or administer their EWR programs
17 independently are spending around 3.47% of the previous year's sales, and natural
18 gas companies are spending around 4.24% of the previous year's annual sales on
19 EWR program implementation. Utilities electing to have their EWR program
20 implemented by EU should expect to pay somewhere around these averages.
21 Costs will vary based on the unique challenges of each service territory, whether
22 the company has special program designs they are interested in for their

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1 customers or an increased low income situation that may also increase these
2 assumptions going forward.

3 Q. What was the consensus, based on the collaborative discussion, when it comes to
4 the alternative compliance payment for utility providers utilizing EU?

5 A. Each utility is unique and costs should continue to be developed on a per utility
6 basis. If EU does not expend the collected alternative compliance payment from a
7 utility provider, those dollars are carried forward to the subsequent year(s) for use
8 on that provider's future EWR programs. Any carry forward balance could be
9 used to reduce future biennial election program costs.

10 Q. Was there any discussion on Voluntary Efficient Electrification (EFEL) and how
11 it can potentially be incorporated into the framework?

12 A. Yes. Staff posed a question to EU, asking if it could provide EFEL plans and
13 programs for a utility provider's service territory. The state administrator is
14 capable of providing EFEL plans for utilities and those programs and costs will be
15 determined separate from the provider's EWR plan.

16 Q. What did EU present on at the Framework Collaborative?

17 A. EU provided an overview of current program offerings, which included Income
18 Qualified, Residential, Commercial and Industrial, and pilot programs.

19 Q. Would you describe the Framework provided by Staff in this case?

20 A. Yes. Exhibit KJS-2 is Staff's proposed EWR Framework for utility providers
21 utilizing the State Administrator, Efficiency United. A prospective utility provider
22 must file biennially a Notification of Intent to Elect EU. This Notice of Intent
23 document is provided in Exhibit KJS-3. EU will then create an EWR plan that

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1 includes a robust portfolio of programs tailored to the provider’s service territory
2 and customer mix and provide the provider with a cost associated with that plan
3 called the Alternative Compliance Payment. In interim years, the utility provider
4 shall provide an Update to EU of Annual Sales Data form, (Exhibit KJS-4) for
5 each year.

6 Q. Why is there not a standardized list of programs that a prospective utility will get
7 if joining EU?

8 A. As stated earlier, each utility provider is unique and certain EWR programs that
9 work for one service territory or customer base might not make sense for another
10 utility provider. The amount of residential, commercial, and industrial customers
11 for each utility differs.

12 Q. Does the Framework provide a general list of available measure options to a
13 potential utility provider wishing to join EU?

14 A. Yes. Income Qualified potential measures include, but are not limited to, air and
15 duct sealing, heating and cooling systems, heating and cooling add-ons (such as
16 boiler reset controls, thermostats, ECM fans and pumps), insulation, water
17 heaters, windows and doors, Home Energy Assessment, Manufactured Home
18 Initiative, lighting, Refrigerators, and direct installs. Residential potential
19 measures include, but are not limited to, air and duct sealing, ENERGY STAR®
20 certified products (such as air purifiers, clothes dryers, room A/Cs, and TVs),
21 heating and cooling systems, heating and cooling add-ons (such as boiler reset
22 controls, thermostats, ECM fans and pumps), insulation, water heaters, windows
23 and doors, Home Energy Assessment, Manufactured Home Initiative, and direct

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1 installs. Commercial and Industrial potential measures include, but are not limited
2 to, prescriptive measures such as boilers, chillers, heat pumps, and other HVAC
3 equipment; building comfort controls; motor controls (e.g., VFDs); building shell
4 and HVAC related insulation; high efficiency air compressors; and compressed
5 air system retrofits (e.g., efficient nozzles). Commercial and Industrial custom
6 measures include productivity improvements, process steam trap
7 replacements/retrofits, high pressure steam vessel insulation, condensate system
8 improvements, and steam to hot water conversions.

9 Q. Does the Framework for EU allow for pilots and education?

10 A. Yes. The Framework shows that EU provides Residential Smart Home bundles,
11 in-school energy awareness education, Commercial and Industrial new
12 technologies and testing retro-commissioning measures, and education initiatives
13 for customers and Trade Allies.

14 Q. Does this Framework pertain to or affect utility providers administering their own
15 EWR plans?

16 A. No.

17 Q. Will this Framework affect utility providers currently utilizing EU?

18 A. Yes. Utility providers that are already using EU to administer their EWR
19 programs, and elect to continue to do so in their next plan filing, will see their
20 EWR targets increase to 1.5% for electric and .875% for gas. They will also see
21 their Income Qualified program expand to 25% of program spend for electric and
22 35% of program spend for natural gas by 2029. This may be done in a gradual
23 increase from program years 2026 and reaching those levels by 2029. These

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1 | changes are per the amendment to the Act and may cause program spend to

2 | increase in the future.

3 | Q. Does this complete your testimony?

4 | A. Yes, it does.

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adopt a framework energy waste reduction program)
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for effective administration under MCL 460.1091)
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Case No. U-21654

EXHIBITS OF
ENERGY RESOURCES DIVISION
MICHIGAN PUBLIC SERVICE COMMISSION

August 2, 2024

Energy Waste Reduction Program Framework Collaborative

Independent Administrator

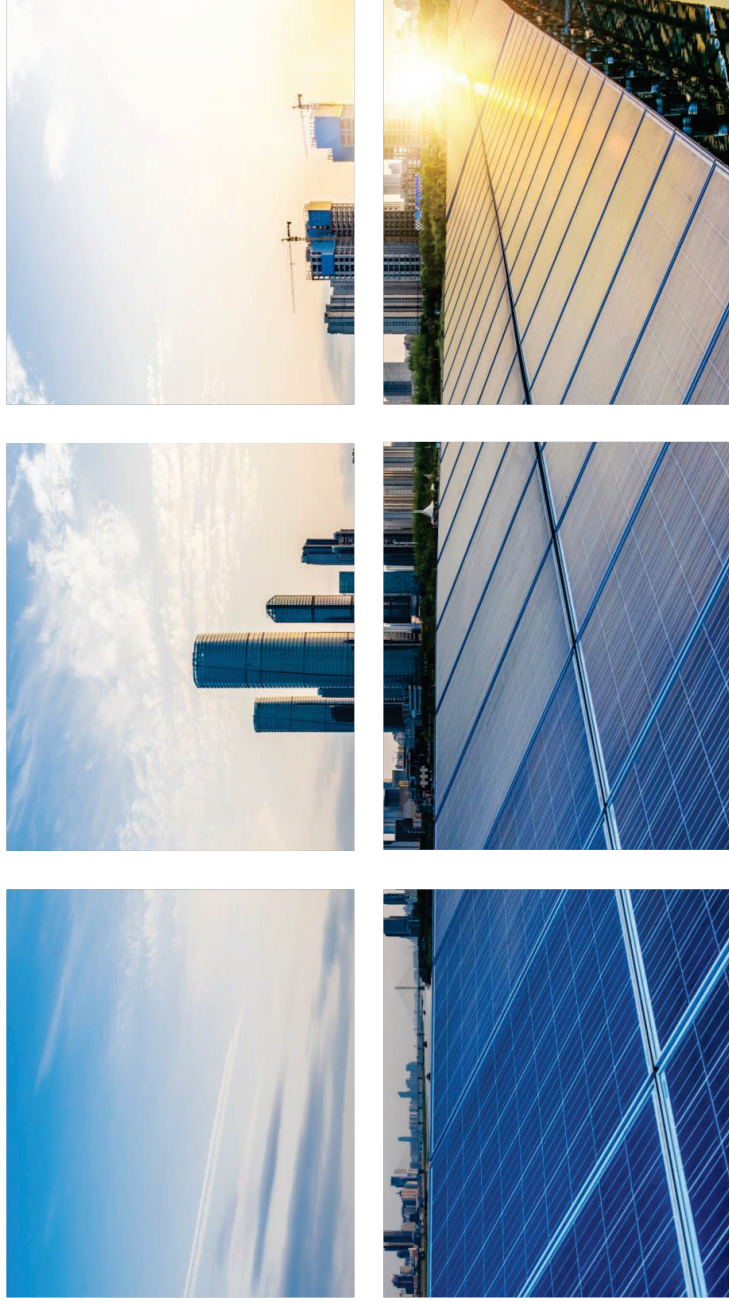
Katie Smith

Economic Specialist
Energy Optimization Section

Karen Gould

Manager
Energy Optimization Section

June 17, 2024



Agenda

- ❑ Review the legislation and set the expectations for the outcome of meeting – Katie Smith MPSC Staff
- ❑ Presentation on Current Program Offerings – Rusty Campbell CleaResult, contractor to Michigan Community Action, Current State Implementation Contractor
- ❑ Review changes to comply with legislation and collaborative discussion and thoughts – Katie Smith MPSC Staff
- ❑ Review of Compliance Payments – Karen Gould MPSC Staff
- ❑ Next Steps – Katie Smith MPSC Staff

□ Section 91(2) of Act 229, MCL 460.1091(2)

[t]he commission shall initiate a proceeding by July 1, 2024 to adopt a framework energy waste reduction [EWR] program that shall be utilized by the independent energy waste reduction program administrator in administering a program on behalf of a provider, and to determine the appropriate amount of alternative compliance payments for effective administration of energy waste reduction programs consistent with that framework.

Commissions Own Motion

- ❑ Opened Docket U-21654
- ❑ Contested Case
- ❑ Directed the Commission Staff (Staff) to host a collaborative to address the framework EWR program related to the independent administrator and alternative compliance payments.

Presentations and Discussion of the following

- ❑ Current program offerings.
- ❑ Discussion on the development of the framework that will reflect the changes and amendments as a result of Act 229 for plans beginning January 1, 2026.
- ❑ The factors that should be considered to develop an alternative compliance payment for new entry to the State Administrator.
- ❑ Voluntary Efficient Electrification (EFEL) and how it can potentially be incorporated into the framework.
- ❑ Other thoughts, issues, and ideas as brought forth during the collaborative will be discussed and considered during the framework development process.

Meeting Expectations

- ❑ Interested parties and persons may voice thoughts and ideas throughout and during designated discussion times as provided in the presentations.
- ❑ Staff will take notes and review the recorded meeting to incorporate ideas into the framework document.
- ❑ This collaborative is for the sole purpose of reviewing current programs, incorporating new legislation, and receiving new thoughts and ideas for improvement of state administered programs.

Energy Waste Reduction Program Offerings

June 17, 2024





Agenda

- Overview
- Income Qualified
- Residential
 - Core programs
 - Pilots & Education
- Commercial & Industrial
 - Prescriptive & Custom
 - Pilots & Education



Overview

- Current utility participants
 - Alpena
 - MGU
 - UMERC
 - Xcel Energy/NSP
- Portfolios are consistent for respective electric and natural gas offerings
- Classes – Income Qualified, Residential, Commercial & Industrial (C&I)
- Marketing & Demand Generation
- Evaluation, Impact & Satisfaction



Income Qualified

The Income Qualified (IQ) Program was designed to provide income-constrained customers with low- to no-cost, energy-efficient equipment and home envelope upgrades. This is accomplished by leveraging strategic partnerships and encouraging the braiding of multiple funding sources through a robust contractor networks, community-based organizations and public housing.

Measure Examples

- Air and duct sealing
- Heating and cooling systems
- Heating and cooling add-ons (such as boiler reset controls, thermostats, ECM fans and pumps)
- Insulation
- Water heaters
- Windows and doors
- Home Energy Assessment
- Manufactured Home Initiative
- Lighting
- Refrigerators
- Direct installs



Residential Core

ENERGY STAR Products & Appliances

- Financial incentives for purchase of ES products such as LED bulbs, showerheads, aerators, clothes washer, clothes dryer, dishwasher, dehumidifier
- Energy efficiency kits for convenient customer opportunities including interior/exterior measures

Home Performance initiatives

- Serves as an initial stride towards enhancing energy efficiency and provides opportunity for homeowners to gain insights into their home's energy consumption dynamics.
- Provides residential customers with education resources and rebates for energy efficient home improvements including direct installation of qualifying instant savings measures such as thermostats, showerheads, aerators, pipewrap.

Appliance Recycling

- The Appliance Recycling Program offers convenient ways for participating utility customers to remove older inefficient appliances off the power grid. These include drop-off events and in-home collection of refrigerators, mini-refrigerators, freezers, room air conditioners and dehumidifiers.

Measure Examples

- Air and duct sealing
- ENERGY STAR® certified products (such as air purifiers, clothes dryers, room A/Cs and TVs)
- Heating and cooling systems
- Heating and cooling add-ons (such as boiler reset controls, thermostats, ECM fans and pumps)
- Insulation
- Water heaters
- Windows and doors
- Home Energy Assessment
- Manufactured Home Initiative
- Direct installs



Residential Pilots & Education

Pilots

- Low-Moderate Income pilot targeting Efficiency United MI customers in target counties; offer limited time offer for smart home bundles depending on a customers' fuel type partnering with Michigan Saves where appropriate.
- Gas Bundle: smart thermostat, high efficiency furnace, & high efficiency water heater
- Electric Bundle: smart thermostat, heat pump, & high efficiency water heater

Education

- The Efficiency United energy efficiency education program is a collaborative partnership between CLEAResult and the National Energy Foundation (NEF). Think! Energy with Efficiency United assists teachers and their students to Think! about energy, Talk! about energy, and Take Action! now about our energy for the future. The program objectives are to expand and promote energy awareness through an educational in-school program and to obtain actual energy savings through student and educator household behavior changes and the use of energy-efficient devices provided in the **Take Action Kit**.





C&I Prescriptive and Custom

Efficiency United's C&I Prescriptive and Custom Program provides incentives for high-efficiency equipment upgrades in non-residential facilities.

- Prescriptive rebates for qualifying new equipment, equipment retrofits, and new construction projects.
- Custom offerings allow businesses to take a more unique and innovative look at energy efficiency and customize it to their specific business needs.

Prescriptive Measure Examples

- Boilers, chillers, heat pumps, and other HVAC equipment
- Building comfort controls
- Motor controls (e.g., VFDs)
- Building shell and HVAC related insulation
- High efficiency air compressors
- Compressed air system retrofits (e.g., efficient nozzles)

Custom Measure Examples

- Productivity improvements
- Process steam trap replacements/retrofits
- High pressure steam vessel insulation
- Condensate system improvements
- Steam to hot water conversions



C&I Pilots & Education

Pilots

- The Pilot Program has been oriented toward technology demonstration efforts to test new equipment in “real world” situations and perform verification of the energy savings. For 2023, the pilot programs for both the electric and gas portfolios continued the “new technology” path and also invested in testing retro-commissioning measures to quantify savings opportunities at customer locations and determine the steps required to achieve these savings.

Education

- The C&I Program annually allocates funds to pay for education initiatives for customers and Trade Allies. In 2023, this budget was used for technical assistance studies, in-person trainings, assessments for retro-commissioning, and to promote on-demand digital-based training.

Questions?



What's New?

□ Section 77

- 1.5% Electric Savings Target with an 8 year average measure life
- .875% Gas savings Target

□ Section 80 – Low-Income Expenditures

- (3) An electric provider's annual expenditures to implement the low-income energy waste reduction programs and measures shall be at least 25% of total energy waste reduction program spending. If an electric provider's expenditures on the effective date of the amendatory act that added this section are below this level, the electric provider shall annually increase expenditures to equal or exceed this level by January 1, 2029.
- (4) A natural gas provider's annual expenditures to implement the low-income energy waste reduction programs and measures shall be at least 35% of total energy waste reduction program spending. If a natural gas provider's expenditures on the effective date of the amendatory act that added this section are below this level, the natural gas provider shall annually increase expenditures to equal or exceed this level by January 1, 2029.

Voluntary Efficient Electrification (EFEL)

- Section 72
 - (1) Beginning January 1, 2025, an electric provider may implement an efficient electrification measures plan under section 71(6).

- If a utility utilizing the Independent Administrator would like to have an EFEL plan:
 - What would that look like?
 - Is it feasible for the administrator?
 - The cost would be separate from the EWR plan costs.

- Thoughts?

Compliance Payments

- ❑ Currently Utility Providers may join the Independent Administrator for a compliance payment amount determined on a per utility bases.
- ❑ Each utility is unique in size, service territory, customer mix, etc.
- ❑ Initial thoughts are to continue with developing compliance payments for each utility that joins.

Next Steps

- ❑ The Staff shall file by August 2, 2024, its proposed framework with supporting testimony addressing the energy waste reduction program and alternative compliance payments.
- ❑ Interested persons shall submit timely petitions to intervene no later than 5:00 p.m. (ET) on August 9, 2024.
- ❑ Follow-up discussion may be set based on interest after Staff testimony is filed.

Energy Waste Reduction Framework for the State Administrator, Efficiency United

Pursuant to Public Act 295 of 2008 as amended by Public Act
229 of 2023, Section 91

August 02, 2024

Framework for new entry to the State Administrator, Efficiency United

This framework is for consideration of utilities planning to utilize the State Administrator, Efficiency United for purposes of conducting EWR programming for EWR plans as required by Public Act 295 of 2008 as amended by Public Act 229 of 2023 that shall be submitted to the Michigan Public Service Commission (MPSC).¹

Prospective Utility Provider

1. In biennial years each provider submits a Notification of Intent to Elect State Administrator, Efficiency United (Attachment B)
 - a. Provider submits Notification to Efficiency United, cc to MPSC Staff.
 - b. Provider shall file Notification in current EWR plan filing docket.
 - c. Staff assesses Notification, makes self-direct and gas transport adjustments as applicable, and compiles a table of targets for Efficiency United.
 - d. Electric Providers will have a minimum EWR savings target of 1.5% of the previous year's retail sales.
 - e. Natural Gas Providers will have a minimum EWR savings target of .875% of the previous year's retail sales.
 - f. Efficiency United provides utility with an Alternative Compliance Payment amount as discussed in the Alternative Compliance Payment section of this framework.

2. In the non-biennial years each provider submits a Provider Update to Efficiency United to update payment and target information of annual sales data (Attachment C)
 - a. Provider submits to Efficiency United, cc to MPSC Staff.
 - b. Staff assesses update, makes self-direct and gas transport adjustments as applicable, and compiles a table of targets for Efficiency United.
 - c. Efficiency United provides utility with any adjustments made to the Alternative Compliance Payment for that year.

¹ Framework applies to an electric or gas utility entering the State Administrator Efficiency United to administer Energy Waste Reduction (EWR) Plans under the provisions of MCL 460.1091.

State Administrator, Efficiency United

The State Administrator, Efficiency United, develops an EWR plan that is unique to the provider's service territory but utilizes the economies of scale of providing administration to multiple providers. Efficiency United uses consistent branding, provides exceptional customer service, program oversight, and evaluation of programs. Efficiency United develops an annual report for the providers electing the State Administrator. Efficiency United develops one combined report for all providers electing the State Administrator, but individual utility program results are presented throughout the report. The annual report should be filed by the Commission-regulated providers in their annual reconciliation docket. These reports are also available on the Commission [website](#). Each provider will have programming that includes but is not limited to the following:

a. Income Qualified

- This is accomplished by leveraging strategic partnerships and encouraging the braiding of multiple funding sources through a robust contractor networks, community-based organizations, and public housing.
- Potential Measures include, but not limited to, air and duct sealing, heating and cooling systems, heating and cooling add-ons (such as boiler reset controls, thermostats, ECM fans and pumps), insulation, water heaters, windows and doors, Home Energy Assessment, Manufactured Home Initiative, lighting, refrigerators, and direct installs.
- The Income Qualified program must be a minimum of 25% of the electric providers total EWR plan budget and a minimum of, 35% of a gas providers EWR plan budget.

b. Residential

- Energy Star products and appliances
- Home Performance initiatives
- Appliance Recycling

- Potential Measures include, but not limited to, air and duct sealing, ENERGY STAR® certified products (such as air purifiers, clothes dryers, room A/Cs and TVs), heating and cooling systems, heating and cooling add-ons (such as boiler reset controls, thermostats, ECM fans and pumps), insulation, water heaters, windows and doors, Home Energy Assessment, Manufactured Home Initiative, and direct installs

c. Commercial and Industrial

- High-efficiency equipment upgrades in non-residential facilities
- Prescriptive upgrades included, but not limited to, boilers, chillers, heat pumps, and other HVAC equipment, building comfort controls, motor controls (e.g., VFDs), building shell and HVAC related insulation, high efficiency air compressors, compressed air system retrofits (e.g., efficient nozzles)
- Custom offerings included, but not limited to, productivity improvements, process steam trap replacements/retrofits, high pressure steam vessel insulation, condensate system improvements, and steam to hot water conversions

d. Pilots and Education

- Residential Smart Home bundles
- In-school energy awareness education
- Commercial and Industrial new technologies and testing retro-commissioning measures
- Education initiatives for customers and Trade Allies

Alternative Compliance Payment

The alternative compliance payment is the amount of funding or budgeted spend that a provider shall pay the State Administrator, Efficiency United, to develop and administer the providers EWR plan for a minimum of 2 years. Each utility provider has a set of unique circumstances relating to service territory and customer mix therefore the Alternative Compliance Payment will be calculated on a per utility basis and shall be presented on a percentage bases and will be no

lower than 2% of the provider's previous year's retail sales. The percentage may change each election period and may differ between each provider based on the unique aspects of each provider.

Voluntary Efficient Electrification (EFEL)

The State Administrator Efficiency United is capable of providing EFEL plans for utilities and those program costs will be determined separate from the EWR plan EFEL plans are voluntary therefore if a utility providers decides this is in the best interest of their customers, the utility provider may elect to utilize the State Administrator, Efficiency United, or may choose to implement an EFEL plan by independent administration, or by contracting with another EFEL service provider. EFEL plans of regulated utility providers must be submitted to the Commission for approval through the contested case process as part of an Energy Optimization (EO) plan, either with the provider's election to Efficiency United, or as an amendment adding the EFEL plan to their most recent plan proceeding.

**PROVIDER NOTIFICATION OF INTENT TO ELECT *EFFICIENCY UNITED*¹
 TO IMPLEMENT ENERGY WASTE REDUCTION SERVICES FOR 2024/2025**

Form A

DATE:

PROVIDER NAME, address and contact information, including email address, for a provider representative:

This is a renewal. This is a new election. Election is for years (two year minimum):
 2026 2027 2028 2029

Electric Utility	Annual Sales Data Informs Program Design for the Program Year			
Program Year	Total Retail Sales Revenue 2024	Total Retail MWh 2022	Total Retail MWh 2023	Total Retail MWh 2024
2026				
Program Year	Total Retail Sales Revenue 2025	Total Retail MWh 2023	Total Retail MWh 2024	Total Retail MWh 2025
2027				

Gas Utility	Annual Sales Data Informs Program Design for the Program Year			
Program Year	Total Retail Sales Revenue 2024	Total Retail Mcf 2022	Total Retail Mcf 2023	Total Retail Mcf 2024
2026				
Program Year	Total Retail Sales Revenue 2025	Total Retail Mcf 2023	Total Retail Mcf 2024	Total Retail Mcf 2025
2027				

- Total retail sales revenue and volumes should have basis in figures reported on MPSC Form P-521 or P-522, FERC Form No. 1/3-Q, Form EIA-861, or Form EIA-861(S), as applicable to the provider.
- Include all eligible retail, choice, transportation, and self-direct customers. Data in the following tables is used for applicable adjustments.
- Gas volumes should be converted from therms assuming 10 therms = 1 Mcf.
- Data for the second plan year may be estimated by copying the first plan year data if forecasts are not available.
- Annual sales data will be submitted annually with Form B as updated data becomes available.

¹ 2008 PA 295, as amended by 2023 PA 229, Sec. 91, allows providers the option of meeting energy waste reduction program compliance requirements by making a payment each year to an independent energy waste reduction program administrator selected by the Michigan Public Service Commission (MPSC). The payment amount is to be determined by the MPSC. The program run by the independent energy waste reduction program administrator is called *Efficiency United*. **Providers must make a two-year commitment. An option to renew is provided.**

Efficiency United will prepare a single EWR report annually for purposes required by section 97 (1) of PA 295, as amended, that may be used by all providers electing the alternative compliance payment option. Rate-regulated providers that opt to use *Efficiency United* must also file a financial reconciliation with the MPSC annually.

EU Provider Notification of Intent cont.

Breakdown of 2024 Total Retail Sales			
	Residential Customers	Commercial Customers	Industrial Customers
Number			
Volume MWh			
Electric Revenue			

Number	
Volume Mcf	
Gas Revenue	

Self-direct Customers Retail Sales	
Number of Customers Elected for 2026	
Total Revenue 2024	
Total MWh 2024	

Natural Gas Transportation Volume	
Total Mcf 2024	

 Signature of Provider Representative

 Signature of Efficiency United Representative

 Date

 Date

Submit form to: Brian McGrain
bmcgrain@micommunityaction.org
 Efficiency United
 2173 Commons Parkway
 Okemos, MI 48864

Attach copy to: Current EWR Plan Filing
 Election is contingent upon MPSC approval.

Dave Walker
walker12@michigan.gov
 EWR Section, MPSC

**PROVIDER UPDATE TO EFFICIENCY UNITED¹
 OF ANNUAL SALES DATA FOR 2027**

Form B

DATE:

PROVIDER NAME, address and contact information, including email address, for a provider representative:

Electric Utility	Annual Sales Data Informs Program Design for the Program Year			
Program Year	Total Retail Sales Revenue 2025	Total Retail MWh 2023	Total Retail MWh 2024	Total Retail MWh 2025
2027				

Gas Utility	Annual Sales Data Informs Program Design for the Program Year			
Program Year	Total Retail Sales Revenue 2025	Total Retail Mcf 2023	Total Retail Mcf 2024	Total Retail Mcf 2025
2027				

- Total retail sales revenue and volumes should have basis in figures reported on MPSC Form P-521 or P-522, FERC Form No. 1/3-Q, Form EIA-861, or Form EIA-861(S), as applicable to the provider.
- Include all eligible retail, choice, transportation, and self-direct customers. Data in the following tables is used for applicable adjustments.
- Gas volumes should be converted from therms assuming 10 therms = 1 Mcf.

Breakdown of 2025 Total Retail Sales			
	Residential Customers	Commercial Customers	Industrial Customers
Number			
Volume MWh			
Electric Revenue			

Number	
Volume Mcf	
Gas Revenue	

Self-direct Customers Retail Sales	
Number of Customers Elected for 2027	
Total Revenue 2025	
Total MWh 2025	

Natural Gas Transportation Volume	
Total Mcf 2025	

 Signature of Provider Representative Date

 Signature of Efficiency United Representative Date

Submit form to: Brian McGrain
bmcgrain@micommunityaction.org
 Efficiency United
 2173 Commons Parkway
 Okemos, MI 48864

¹The purpose of this form is to update, with actual data, information that was previously estimated as part of a multi-year plan election to have *Efficiency United* provide EWR administration services under Sec. 91, 2008 PA 295, as amended.

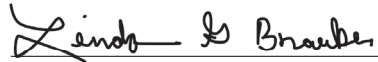
STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)
to open a contested case proceeding to develop and)
adopt a framework energy waste reduction program) Case No. U-21654
and to determine the alternative compliance payments)
for effective administration under MCL 460.1091)
for the following named parties: **ALPENA POWER**)
COMPANY, et al.)
_____)

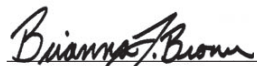
PROOF OF SERVICE

Linda G. Brauker, being duly sworn, deposes and says that on August 2, 2024, A.D., she emailed a copy of the attached MPSC Testimony and Exhibits to the persons as shown on the attached list.



Linda G. Brauker

Subscribed and sworn to before me
this 2nd day of August, 2024.



Brianna L. Brown, Notary Public
State of Michigan, County of Gratiot
Acting in County of Eaton
My Commission Expires July 4, 2028

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City of Escanaba
City of Gladstone
City of Harbor Springs
City of Hart Hydro
City of Norway
City of Paw Paw
City of Petoskey
City of Portland
City of Sebawaing
City of South Haven
City of St. Louis
City of Stephenson
City of Sturgis
City of Wakefield
Chelsea Department of Electric & Water
Coldwater Board of Public Utilities
Croswell Municipal Light & Power Department
Daggett Electric Department
Grand Haven Board of Light and Power
Holland Board of Public Works
Lowell Light & Power
Marquette Board of Light & Power
Marshall Electric Department
Negaunee Department of Public Works
Newberry Water & Light Board
Niles Utility Department
Traverse City Light & Power
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