



TRAVERSE CITY  
LIGHT & POWER

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**To:** Light & Power Board  
**From:** Jim Cooper *JC*  
**Date:** May 16, 2012  
**Subject:** Annual Report for Energy Optimization

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The following pages contain most of the required information and forms that are filed with the Michigan Public Service Commission (MPSC) for the 2011 Energy Optimization (EO) report. To provide some background I've included a history on this four year old program. The initial filing covered the years from 2009 to 2012 and required kWhr savings of .25%, .50%, .75%, and 1% as a percent of kWhr sales for those years. The subsequent program started with new data for 2012, goes to 2015, and continues energy optimization savings of 1% each year.

Public Act 295 (PA 295) allowed utilities to recoup expenses for the programs by charging customers up to 2% of revenue sales and mandates that both kWhrs saved and program expenses be proportionately allocated to each type of customer. For TCL&P that means those programs are set up at a ratio of 20% residential and 80% commercial and industrial. Currently the Board has decided not to charge customers for the cost of the program.

PA 295 history is below and I will review the attached 2011 EO program and summary sheet at the meeting. The summary sheet shows the goals for 2011, what was actually achieved, amounts that were over or under achieved, goals for 2012, and finally the revised 2012 goals based on the over or under achievement of the 2011 goals. Both the residential and commercial pilot programs took place over two years and consisted of the LED residential and street light projects. As previously reported to the Board, TCL&P received a grant for the capital costs, but contributed all the labor, truck time, and ancillary expenses. Those costs are reported to the MPSC under EO expense, but since it was a TCL&P project, they come out of the capital budget. In short, based on all categories, TCL&P customers saved over 2,650,078 kWhrs or 56% over the 2011 goal.

A new business program for 2012 involves direct installment of CFLs, programmable thermostats, LED exit signs and other energy saving measures for small businesses. The information flyers contain program listings and incentives. A list of commercial customers who participated in the program is also included.

TCL&P received a 61 page measurement and verification report from KEMA, the firm that has been verifying the results of the EO reports for all 24 participating municipal utilities for four years. They use mail, phone, and direct field contacts to certify the findings. I can email that to Board Members if requested.

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

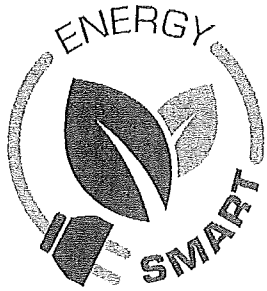
***Section 97 (1) Each provider shall submit to the commission an annual report that provides information relating to the actions taken by the provider to comply with the energy optimization standards.***

TCL&P 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 July, 2009.
- Overall administration of the EO programs was the responsibility of TCL&P personnel.
- In addition, an implementation contractor, Franklin Energy Inc., was selected to implement the HVAC/Efficient Appliance, Refrigerator/Freezer Turn-in and Recycling program, Business Prescriptive and Business Custom programs.
- Administration and implementation of the EO programs were the responsibility of TCL&P personnel.
- Contracted with the Traverse City Housing Commission, MCAAAA, and DHS to implement the Residential Low Income program.
- Educational outreach programs, including brochures and media placement, were implemented by TCL&P in-house personnel for both Residential and Business areas.
- Contracted with KEMA, Inc. for obtaining an independent expert evaluation for the verification of incremental energy savings for each energy optimization program.

### Traverse City Light and Power 2011 Energy Optimization Program Summary and 2012 Goals

	2011 Goals		2011 Actual		2011 Over/(under)		2012 Plan Filing		2012 Revised Goals	
	Gross First Year kWh Savings	Program Budget	Gross First Year kWh Savings	Program Budget	Gross First Year kWh Savings	Program Budget	Gross First Year kWh Savings	Program Budget	Gross First Year kWh Savings	Program Budget
<b>Program Portfolio</b>										
Low Income Services	17,399	\$15,640	18,895	\$2,298	1,496	-\$13,342	21,947	\$4,469	20,451	\$4,469
Appliance Recycling	156,599	\$31,931	195,217	\$31,931	38,618	\$0	120,707	\$28,091		
Residential Services *	150,678	\$29,083	319,556	\$20,934	168,878	-\$8,149	278,418	\$42,375	191,629	\$70,466
Educational Services	36,392	\$5,865	154,981	\$24,997	118,589	\$19,132	47,849	\$7,265	47,849	\$7,265
Pilot Programs	48,523	\$7,820	53,544	\$71,346	5,021	\$63,526	79,748	\$12,108	74,727	\$12,108
<b>Subtotal - Residential Solutions</b>	409,591	\$90,339	742,193	\$151,506	332,602	\$61,167	548,669	\$94,308	334,656	\$94,308
Business Services	1,209,146	\$251,880	1,642,390	\$202,119	433,244	-\$49,761	2,513,671	\$341,578	2,080,427	\$341,578
Educational Services	36,392	\$5,865	154,981	\$24,997	118,589	\$19,132	47,849	\$7,265	47,849	\$7,265
Pilot/Emerging Technology Programs	48,523	\$7,820	110,514	\$89,396	61,991	\$81,576	79,748	\$12,108	79,748	\$12,108
<b>Subtotal - Business Solutions</b>	1,294,061	\$265,565	1,907,865	\$316,512	613,824	\$50,947	2,641,268	\$360,951	2,208,024	\$360,951
<b>Total Program Portfolio</b>	1,703,652	\$355,904	2,650,078	\$468,018	946,426	\$112,114	3,189,937	\$455,259	2,542,680	\$455,259
Program Administration 5%		\$26,325		\$68,417		\$42,092		\$19,373		\$19,373
Evaluation (EM&V) 4%		\$21,060		\$9,576		-\$11,484		\$9,686		\$9,686
<b>Subtotal - Admin/Evaluation</b>		\$47,385		\$77,993		\$30,608		\$29,059		\$29,059
<b>Projected Annual Totals</b>	1,703,652	\$403,289	2,650,078	\$546,011	946,426	\$142,722	3,189,937	\$484,318	2,542,680	\$484,318



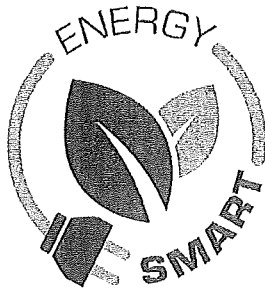
TRAVERSE CITY  
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## RESIDENTIAL INCENTIVES

**Traverse City Light & Power offers a variety of incentives to help residential customers save energy and money!**

- **\$150 rebate** when you purchase a qualified ENERGY STAR® high efficiency heat pump water heater.
- **\$25 rebate** for upgrading to an electric water heater with an energy factor greater than or equal to .93.
- **\$25 rebate** for upgrading to a high efficiency electric clothes dryer with moisture sensor.
- **\$25 rebate** when you purchase a qualified ENERGY STAR® refrigerator.
- **\$15 rebate** when you purchase a qualified ENERGY STAR® PC (personal computer).
- **\$15 rebate** for upgrading a non-programmable thermostat with a programmable thermostat.
- **\$150 rebate** when you upgrade your furnace to an energy efficient model that includes an Electronically Commutated Motor (ECM).
- **\$15 rebate** when you install an ENERGY STAR® qualified room air conditioner.
- **\$15 rebate** when you install an ENERGY STAR® qualified dehumidifier.
- **\$10 rebate** when you install a qualified "Smart Strip" or Intelligent Surge Protector.
- **\$15 rebate on your utility electric bill** when you recycle your inefficient, yet still working, air conditioner or dehumidifier at the Clean Up and Green Up event on March 11 from 9 a.m. to 3 p.m. at the American Waste facility (280 Hughes Drive, Traverse City).
- **Get \$60 Cash Back** when you recycle your old, yet working refrigerator or freezer. Call toll free 1-877-270-3519 or visit [www.jacoinc.net](http://www.jacoinc.net) and enter your zip code to select a date for a FREE pickup of your old refrigerator or freezer and learn details about the program.

**Rebates are first come, first served. To find out more and to obtain an Incentive application visit TCL&P's Energy Smart website at [tclp.org](http://tclp.org) or call 1-877-674-7281**



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## COMMERCIAL INCENTIVES

**Traverse City Light & Power offers a variety of incentives to help commercial customers save energy and money!**

- **Save up to \$15,000** when installing new energy efficient light bulbs and equipment. This is called "Prescriptive Lighting" on the application form\*, such as replacing old bulbs with CFLs, installing new CFL fixtures, installing high-performance T8 CEE qualified fluorescent systems, etc.
- **Save up to \$15,000** when installing new non-lighting energy efficient equipment. This is called "Prescriptive Non-Lighting" on the application form\*, such as heat pumps, three-phase electric motors, an ENERGY STAR® solid door refrigerator, etc.
- **Save up to \$15,000** when installing new energy efficient equipment that is not covered by either of the programs above. This is called "Custom Measures" on the application form.\*

*\*Regardless of the size of your project, due to limited funding and to assure compliance with Public Act 295, contact Franklin Energy toll-free (877-674-7281) to verify funds are available BEFORE you fill-out and submit applications. The total for all lighting, non-lighting and custom energy equipment incentives cannot exceed \$15,000 each year per customer.*

**Funds are distributed on a first-come, first-served basis and are limited to the amount funded each year by Public Act 295 and the Michigan Public Service Commission. To find out more and to obtain an incentive application visit TCL&P's Energy Smart website at [tclp.org](http://tclp.org) or call 1-877-674-7281**

Traverse City Light and Power  
Energy Smart Program  
Monthly Report  
2/6/2012

**Executive Summary:**

This report is the final, year-end report for 2011 and lists results to date of your EO Programs implemented by Franklin Energy. This report lists revised 2011 goals and budgets based on the revised goals you submitted to the MPSC.

**Participating Projects and Customers**

The following customers are participating in the C&I prescriptive program

Customer	Incentive	kWh
Century Sun - 2411 Aero Park Court	\$9,979.20	138,378
Northwestern Michigan College - 1705 E Front Street	\$9,150.00	191,083
Century Specialties Inc. - 2410 Aero Park Court	\$8,177.40	113,393
Grand Traverse Industries (Traversefield Dr. ) - 2883 Traversefield Dr.	\$4,097.40	70,060
Harbour Air - 1150 Airport Access Rd	\$3,811.50	52,853
Jacklin Steel Supply - 2410 Aero Park Drive	\$3,580.20	49,645
Traverse City Area Public Schools - West Middle School, 3950 Silver Lake Road	\$3,460.30	48,912
Grand Traverse Area Catholic Schools - 123 East Eleventh St	\$2,368.20	32,765
Marathon Automotive - 845 W South Airport Rd	\$1,950.00	22,854
Young Supply Co - 3153 Cass Rd	\$1,644.90	19,538
Natural Gas Compression Systems, Inc. - 2480 Aero Park Dr.	\$1,544.00	16,348
Michigan Blood-TC - 2575 Aero Park Dr	\$1,457.70	28,581
Max's - 135 E State St	\$1,440.00	27,594
Bay Area Transit Authority - 3233 Cass Rd	\$1,358.00	17,004
Square Deal County Store/Nu-way Marking - 900 Woodmere Avenue	\$1,324.20	14,555
Grand Traverse Industries (Traversefield Dr. ) - 2883 Traversefield Dr.	\$1,262.00	21,984
Traverse City Area Public Schools - Central High School, 1150 Milliken Drive	\$1,254.18	24,038
Standard Electric Company/Witlock - 1610 W South Airport Rd	\$1,132.00	7,977
Blakely Products - 895 Lynch Dr	\$1,039.50	14,414
Petroleum Abstract & Title Service - 434 East Front Street	\$924.00	11,626
Grand Traverse Area Catholic Schools - 725 Second Street	\$831.60	11,532
Standard Electric Company - 1740 Barlow St	\$764.55	10,754
Traverse City Area Public Schools - 412 Webster Street	\$700.00	11,200
Save A Lot - 1115 S Garfield Ave	\$648.00	1,836
Members Credit Union - 1234 Hastings St	\$632.00	6,652
Olsons Auto Body - 713 Parsons Rd	\$485.10	6,727
Brick Wheels - 736 E 8th St	\$442.50	3,326
Bulls-I, Inc - 1239 Woodmere Ave	\$432.00	4,590
Grand Traverse County-County Jail - 320 Washington St	\$374.98	7,236
Miller Laser Technologies - 2366 Cass Rd Unit 4	\$277.20	3,844
Art and Framing - 430 W 14th St	\$258.75	3,088
Advance America - 1065 West South Airport Rd	\$233.00	2,612
Ford Insurance Agency, Inc - 920 S Garfield Ave	\$180.00	1,867
Star Truck Rentals - 1645 S Airport Rd	\$96.00	1,673
<b>Total</b>	<b>\$67,310.36</b>	<b>1,036,899</b>

The following customers are participating in the C&I custom program

Customer	Incentive	kWh
Cone Drive Operations - 240 E. 12th Street	\$10,000.00	149,725
Bill Marsh Motors - 1621 S Garfield Rd	\$10,000.00	128,072
Federal Screw Works - 2270 Traversefield Drive	\$10,000.00	203,035
Northern Michigan Supply Alliance - 2651 Aeropark Drive	\$3,100.01	38,750
DTE/Michcon Gas Traverse City - 1011 Hastings	\$2,471.63	30,895
Star Truck Rentals - 1645 S Airport Rd	\$1,949.99	24,374
TC Public Service Garage - 2960 Cass Rd	\$1,942.68	24,283
Traverse City Area Public Schools - 1150 Milliken Drive	\$1,021.68	12,771
Traverse City Development - 134 E Front St	\$812.49	10,156
Potters Bakery - 908 E. Eighth St.	\$640.24	8,527
Kilwins Chocolates of Traverse City - 129 E Front St	\$511.36	6,392
Nifty Things LLC - 143 E Front St	\$344.74	4,309
James C. Smith - 101 West Front St.	\$221.94	2,774
Potters Bakery-515 W Front Street	\$186.56	2,420
Members Credit Union - 1234 Hastings St	\$169.69	2,121
Downtown Development Authority - Front & Cass	\$165.80	2,073
Michigan Blood-TC - 2575 Areo Park Dr	\$106.40	1,330
<b>Total</b>	<b>\$43,645.21</b>	<b>652,007</b>