



Energy Efficiency

A Good Investment for Michigan

The Clean, Renewable, and Efficient Energy Act established Michigan's Energy Optimization (EO) standard with bipartisan support. Beginning in 2012, the EO annual targets were set at 1% for electric providers and 0.75% of annual retail sales for natural gas providers, which the utilities have subsequently met or exceeded each year. Continued utility investments in eliminating energy waste have brought economic benefits and stability to Michigan's residents and businesses.

Energy Efficiency Saves Money

Energy efficiency is the cheapest energy resource in Michigan at an average of \$13.55 per megawatt hour. As the chart on the right shows, new natural gas and coal-fired power plants are far more expensive than energy efficiency.

In 2015, for every \$1 invested in energy efficiency in Michigan, residents and businesses enjoyed **\$4.35 in benefits**.

Annual electricity savings have doubled in Michigan since 2009, the first year that energy efficiency programs were implemented, and **natural gas savings are six times higher**.

The average electric residential customer is expected to save **\$5.07 each month** of the EO program life while the average natural gas residential customer is expected to save **\$5.57 each month**.

Energy Efficiency Creates Jobs

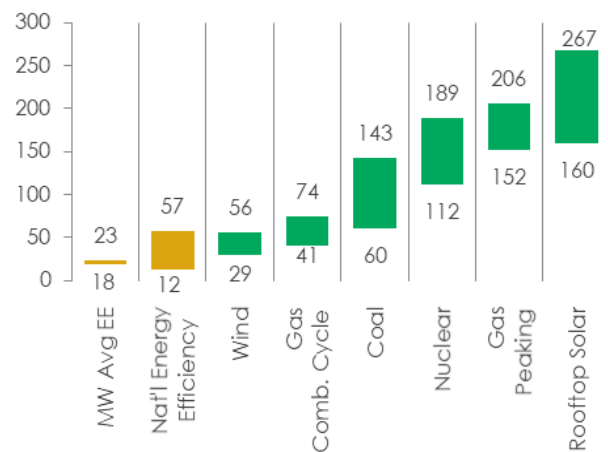
15,203 new jobs were created across Michigan as a result of 2014 energy efficiency program investments and resulting savings. These programs yielded more than \$200 million in increased statewide income, about \$325 million in total net economic value and nearly \$550 million in net sales.

2015 programs are projected to generate 7,350-14,800 new jobs, \$675 million-\$1.4 billion in statewide income and \$1-2 billion in economic value.

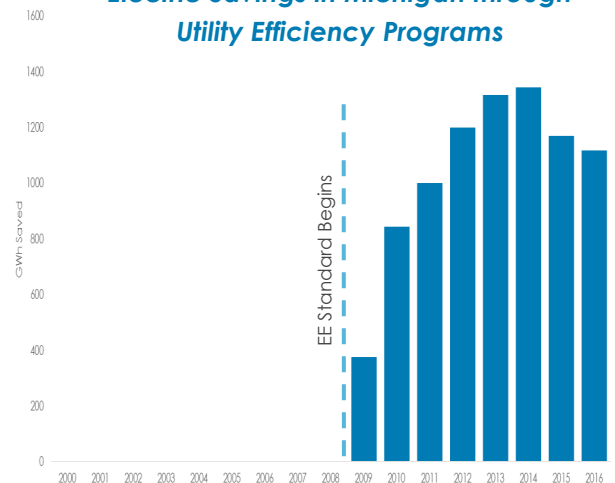
Voters Support Efficiency Standards

Energy efficiency has broad bipartisan support among Michigan voters. 77% of voters support the state's current energy efficiency policy, and 90% want to expand energy efficiency programs.

Cost Ranges of Electricity Resources
\$ per megawatt-hour, 2018



Electric Savings in Michigan through Utility Efficiency Programs

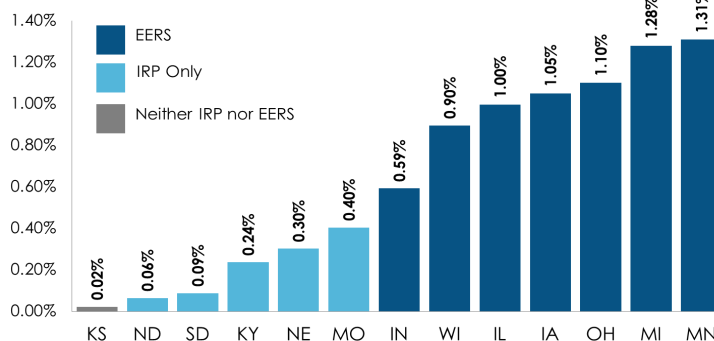


Energy Efficiency A Good Investment for Michigan

Energy efficiency resource standards (EERS) drive energy savings in the Midwest. Many of the states with an EERS also require some form of long-term planning by their utilities. However, those that rely solely on integrated resource planning have an overall lower level of savings.

Michigan's Energy Optimization standard can serve as a minimum amount of energy efficiency considered when modeling energy supply and demand resources.

Energy Efficiency in Midwest States
Saved electricity as % of total retail sales, 2014



There is no need to repeal the current standard to pursue integrated resource planning (IRP). Michigan's Energy Optimization standard can serve as the baseline for modeling energy supply and demand resources. Minnesota, for example, has a 1.5% energy efficiency standard that serves as an input to each utility's IRP process. Through the IRP process, the commission determines if more energy efficiency can be achieved.

“As conservatives, we feel that reducing energy waste is the simplest, most affordable and actionable way to save money for Michigan businesses and families.”

Larry Ward, Michigan Conservative Energy Forum

“No matter what the future holds, there is no scenario in which we should not more than double our efforts to reduce energy waste.”

Former Governor Rick Snyder

Contact: Maddie Wazowicz, Policy Associate
mwazowicz@mwalliance.org | (312) 374-0930

20 N. Wacker Dr. Ste 1301, Chicago IL 60606 | www.mwalliance.org

