

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter, on the Commission's own motion,	)	
regarding administration and operation of the	)	Case No. U-13129
Low-Income and Energy Efficiency Fund.	)	
_____	)	

At the May 8, 2008 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman  
Hon. Monica Martinez, Commissioner  
Hon. Steven A. Transeth, Commissioner

**OPINION AND ORDER**

The Customer Choice and Electricity Reliability Act, 2000 PA 141, authorized the creation of the Low-Income and Energy Efficiency Fund (LIEEF), administered by the Commission via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding was the utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. MCL 460.10d(7) provides for the use of a portion of the savings.

The Detroit Edison Company's (Detroit Edison) interim rate relief order issued on February 20, 2004 in Case No. U-13808 rolled the LIEEF funding requirement into base rates for Detroit Edison's electric customers and continued funding the LIEEF as part of the utility's cost of service. Consumers Energy Company's orders issued on December 22, 2005 in Case No. U-14347 and November 21, 2006 in Case No. U-14547 have also made provisions for funding

the LIEEF. In prior orders in this docket, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

The Commission has issued orders approving 19 rounds of grants in the amount of \$358,918,899, and has administered funds specially allocated by the Legislature in the amount of \$25,000,000 from the Low-Income and Energy Efficiency Fund for a total of \$383,918,899.

On March 21, 2008, the Commission invited organizations to submit proposals to develop or improve the quality of application of energy efficient technologies and to create or expand the market for such technologies through three distinct focus areas: plug-in hybrid electric vehicle (PHEV) pilot programs related to integration of PHEVs into the electricity grid; programs that would promote and increase the use of ENERGY STAR-qualified compact fluorescent lamps (CFLs); and green community programs that encourage community-based renewable energy and energy efficiency programs. By the April 4, 2008 deadline, the following submitted proposals within the three focus areas seeking a total of over \$13 million:

- PHEV Programs – Partnership of the University of Michigan, General Motors Corporation, and DTE Energy Company; Elkton-Pigeon-Bay Port Laker Schools; Hydraulic Innovations LLC; Indiana Michigan Power; and Michigan Technological University.
- CFL Programs – Charter Township of Delta; Clean Energy Coalition; Faith in Action, Inc.; Friends School of Detroit; Greenlark EcoNetwork, Inc.; Indiana Michigan Power; Michigan Community Action Agency Association; Nova Development Group of Detroit L.L.C.; Presque Isle Electric and Gas Co-op; Superior Watershed Partnership; Traverse City Light & Power; Urban Options, Inc.; Voices for Earth Justice; and West Michigan Environmental Action Council.

- Green Community Programs – Charter Township of Delta; City of Taylor Department of Public Works; Clean Energy Coalition; Greater Lansing Go Green! Initiative; Kuyper Investments Associates, LLC; Michigan GREEN; Michigan Interfaith Power & Light; Michigan Suburbs Alliance; Michigan State University, Center for Community & Economic Development; Recycle Ann Arbor; SEEDS; Shepherd Advisors; WARM Training Center; Wayne State University; and Ypsilanti Food Cooperative.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission used the selection criteria outlined in the Request for Proposals.

Based on its review of the applications, the Commission awards the following grants:

PHEV Pilot:

- The partnership of the University of Michigan, General Motors Corporation, and DTE Energy Company – \$5,000,000 to study PHEVs as a Michigan economic development catalyst, the near-term vehicle-utility interface, the mid/long-term vehicle utility interface, and the environmental and electric utility system impacts of PHEVs.

CFL Programs:

- Superior Watershed Partnership – \$150,000 to distribute CFLs throughout the Upper Peninsula and monitor energy savings with the help of local high school students.
- Urban Options – \$750,000 to buy-down the price of CFLs at the manufacturer level to as little as \$.99 per bulb.
- West Michigan Environmental Action Council – \$100,000 to distribute CFLs and evaluate the impact of the program with an emphasis on CFL disposal awareness.

Green Community Programs:

- Charter Township of Delta – \$50,000 for a recycling and eco-awareness campaign involving local high school students.
- City of Taylor Department of Public Works – \$49,120 for the installation of a 9 kilowatt (kW) solar photovoltaic panel, 10 kW bio-diesel generator, 100 kW wood chip boiler, and

20 kW wind turbine at the Heritage Park Petting Farm in Taylor, and a program to educate the public about the units.

- Greater Lansing Go Green! Initiative – \$50,000 to help the lodging and dining industries Green Up their practices with an education initiative.
- Michigan GREEN – \$49,716 to conduct energy evaluations for small businesses in Delta County.
- Michigan Interfaith Power and Light – \$50,000 to conduct energy workshops and awareness events aimed at its members and the general public.
- Michigan Suburbs Alliance – \$47,996 for the development of a regional energy office in the Metro Detroit area that would encourage cities to “go green” through education.
- Recycle Ann Arbor – \$50,000 to provide home energy assessments to Ann Arbor homes and offer access to energy improvement loans based on the findings.
- SEEDS – \$49,990 to provide a green house gas inventory for the Traverse City area and offer solutions as to how green house gas numbers can be reduced.
- WARM Training Center – \$50,000 to educate Metro Detroit businesses and cities on how best to reduce energy consumption.
- Ypsilanti Food Cooperative – \$35,980 to install solar photovoltaic panels on the roofs of its facility and the Ypsilanti Town Hall building, and a website that will show real-time energy savings.

For those grantees receiving less than the amount requested in their proposals, the proportion of funds for direct program costs to indirect costs and overhead will remain the same as in their original requests. The Commission directs the Commission Staff to complete the necessary grant agreement documents with the grantees. As always, the grants are contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grants from the Low-Income and Energy Efficiency Fund for a total of \$6,482,802 are approved for the fiscal year beginning October 1, 2007 and ending September 30, 2008:

PHEV Pilot:

- The partnership of the University of Michigan, General Motors Corporation, and DTE Energy Company – \$5,000,000 to study plug-in hybrid electric vehicles as a Michigan economic development catalyst, the near-term vehicle-utility interface, the mid/long-term vehicle utility interface, and the environmental and electric utility system impacts of PHEVs.

CFL Programs:

- Superior Watershed Partnership – \$150,000 to distribute CFLs throughout the Upper Peninsula and monitor energy savings with the help of local high school students.
- Urban Options – \$750,000 to buy-down the price of CFLs at the manufacturer level to as little as \$.99 per bulb.
- West Michigan Environmental Action Council – \$100,000 to distribute CFLs and evaluate the impact of the program with an emphasis on CFL disposal awareness.

Green Community Programs:

- Charter Township of Delta – \$50,000 for a recycling and eco-awareness campaign involving local high school students.
- City of Taylor Department of Public Works – \$49,120 for the installation of a 9 kW solar photovoltaic panel, 10 kW bio-diesel generator, 100 kW wood chip boiler, and 20 kW wind turbine at the Heritage Park Petting Farm in Taylor, and a program to educate the public about the units.
- Greater Lansing Go Green! Initiative – \$50,000 to help the lodging and dining industries Green Up their practices with an education initiative.
- Michigan GREEN – \$49,716 to conduct energy evaluations for small businesses in Delta County.
- Michigan Interfaith Power and Light – \$50,000 to conduct energy workshops and awareness events aimed at its members and the general public.

- Michigan Suburbs Alliance – \$47,996 for the development of a regional energy office in the Metro Detroit area that would encourage cities to “go green” through education.
- Recycle Ann Arbor – \$50,000 to provide home energy assessments to Ann Arbor homes and offer access to energy improvement loans based on the findings.
- SEEDS – \$49,990 to provide a green house gas inventory for the Traverse City area and offer solutions as to how green house gas numbers can be reduced.
- WARM Training Center – \$50,000 to educate Metro Detroit businesses and cities on how best to reduce energy consumption.
- Ypsilanti Food Cooperative – \$35,980 to install solar photovoltaic panels on the roofs of its facility and the Ypsilanti Town Hall building, and a website that will show real-time energy savings.

B. The Commission Staff shall complete the necessary grant agreement documents with the grantees.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

\_\_\_\_\_  
Orjiakor N. Isiogu, Chairman

By its action of May 8, 2008.

\_\_\_\_\_  
Monica Martinez, Commissioner

\_\_\_\_\_  
Mary Jo Kunkle, Executive Secretary

\_\_\_\_\_  
Steven A. Transeth, Commissioner