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# The Energy Optimization Program

Energy Optimization is a new program to increase efficiency throughout the State of Michigan

## **Purpose of the Program**

- Increase energy efficiency awareness throughout Michigan
- Encourage residential and C&I customers to improve energy efficiency in existing and new facilities.
- Reduce the electric and natural gas demand in Michigan
  - Improve environment
  - Lower customer bills

# Why Energy Efficiency?

- Energy efficiency is the lowest cost, lowest risk, and cleanest resource for meeting future electrical demand.
  - Generate savings immediately.
  - Impact is measurable.
  
- Energy Efficiency is different than energy conservation.
  - Conservation is using less electricity by turning off lights.
  - Efficiency is using less electricity by utilizing more efficient equipment.

# How Does it Work?

- We provide rebates and incentives to help offset the up-front cost
  - Energy saving equipment and devices
  - Projects with significant energy savings
- The program is easy to use
  - In-store instant rebates where we can
  - Simple application forms for all others

# How can it benefit you?

- Allows you to upgrade or replace equipment or fixtures at a reduced capital cost.
- Provides long term energy savings.
  - Lowered electrical and natural gas bills compared to less efficient equipment.
- Reduces your carbon footprint.
  - Helps you to be greener, sending a positive message to your customers and employees.

There are **two incentive types** you should know about

## 1. Prescriptive Incentives

- You install energy efficient equipment and achieve **pre-determined savings and incentive levels**
- Incentives typically average **20% to 50% of the incremental cost** of purchasing qualifying technologies

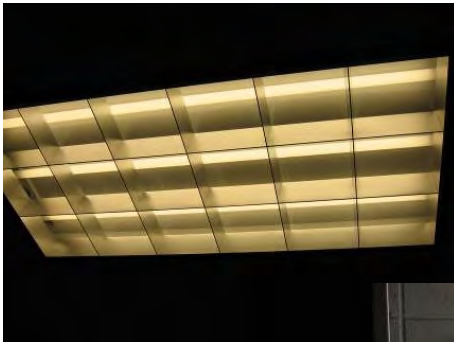
## 2. Custom Incentives

- Incentives are determined on a **case-by-case basis** and are paid per unit energy saved (kWh and/or MCF)
- Must have a **greater** than one year payback period

# Eligible Prescriptive Measures

**Prescriptive measures** are offered on per unit basis

- Lighting
- HVAC (electric and gas)
- Food Service (electric and gas)
- Motors & Drives
- Water Heating
- Miscellaneous



- Incentives based on **annual energy savings** on a **per-unit basis**
- This program addresses almost **any energy efficiency measures excluding those eligible for prescriptive incentives**
- **Custom Incentive Amounts**
  - \$0.08/kWh
  - \$4.00/MCF
- **1.0 year minimum and 8.0 year maximum project payback**
- Capped at 50% of project cost

# Eligible Custom Measures

**Capital investment** measures that **increase energy efficiency** that are **NOT** eligible for a prescriptive incentive may qualify as a **Custom Measure**.

## **Eligible Custom Measures include:**

- Process improvements
- New technology applications
- Air compressor controls and end use reduction improvements
- Refrigeration
- Chiller plant optimization
- Cooling tower optimization
- Window replacements
- Insulation improvements
- Heat recovery projects

# When Can I Get Started?

- All programs have been launched and are ramping up **now**
- In-store rebates are available **now** at major retailers with more being added
- Applications for other rebates and incentives are available **now** on our web site [www.YourEnergySavings.com](http://www.YourEnergySavings.com)
- There is custom funding available **now** for projects that are completed this year!!!
- So, get started **now** to lower your energy use and your energy bills



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