

March 12, 2015

Senate Energy and Technology Committee  
Senator Mike Nofs, Chair  
Michigan State Senate  
PO Box 30036  
Lansing, MI 48909

House Energy Policy Committee  
Representative Aric Nesbitt, Chair  
Michigan House of Representatives  
PO Box 30014  
Lansing, MI 48909

Dear Senator Nofs, Representative Nesbitt, and Members of the Michigan Senate Energy and Technology Committee and Michigan House Energy Policy Committee:

We, the undersigned employers and trade associations - representing thousands of jobs within this state - strongly oppose any effort to eliminate Michigan's successful and cost-effective Energy Optimization (EO) standard. Since its creation in the 2008 energy law, Michigan's EO standard has helped tens of thousands of Michigan businesses reduce energy costs and improve their overall competitiveness, lowered energy rates by reducing the need for costly new generation, and saved ratepayers \$2.5 billion since 2011.

The American Council for an Energy Efficient Economy (ACEEE) has found that having a specific energy efficiency standard is far more effective than other mechanisms (such as integrated resource planning or utility rate design) in actually reducing energy consumption and lowering energy bills. Specifically, ACEEE notes that "[i]n a time when some state policymakers are becoming skittish about the concept of 'mandates,' it is worth noting that the use of an [energy efficiency resource standard] to set targets for cost-effective efficiency has been by far the most effective policy for achieving customer energy efficiency savings."

The cost of eliminating the current EO standard is estimated at *\$8 billion* in lost economic activity over the next ten years, and that doesn't include lost energy savings for businesses and homeowners. In addition, Michigan's energy efficiency programs provide a range of benefits to the state, including:

- **Solid return on investment.** Michigan's energy efficiency programs create \$21 in economic activity for every \$1 in incentive - a total of \$1.2 billion in energy upgrades in the commercial and industrial sectors alone, helping Michigan businesses maintain their competitive position in global markets.
- **Highly cost-effective.** The EO program generated savings of \$3.75 for every dollar spent in 2013. These figures reflect real investment - and show there is much left to do to maximize the economic benefits of Michigan's EO standard.
- **Critical to addressing capacity shortfalls.** As Consumers Energy noted in a recent filing with the Michigan Public Service Commission, "[w]hile peak demand reductions are not

the primary focus of [energy efficiency] programs, the act of reducing consumption at all times results in significant peak reductions." At one-fifth the retail cost of electricity in Michigan, energy efficiency represents the single most cost-effective way to address the capacity issues facing the state.

- **Broad-based public support.** A poll commissioned by the Michigan Conservative Energy Forum found that 84 percent of Michigan ratepayers - including 74 percent of Republicans and 66 percent of self-identified Tea Party voters - support policies to increase the energy efficiency of Michigan homes and businesses. Similarly, a poll from the National Association of Manufacturers found that 90 percent of Americans support energy efficiency as a key part of our nation's energy policy, including 74 percent who support investing taxpayers' dollars on energy efficiency technologies, innovations and programs if it would save consumers more money.

As employers and trade associations, we are keenly aware of the importance of reasonable energy costs as a key input in decisions regarding investment, job creation, and ultimately whether to remain in Michigan. Eliminating Michigan's successful EO program would cost jobs, increase energy costs for businesses, and make Michigan a less attractive place to invest and do business. For this reason, and because so many Michigan businesses have directly benefited from the programs currently in place and many more will benefit by maintaining the standard, we strongly oppose any effort to eliminate the current EO standard, and look forward to working with you to craft an energy policy that keeps Michigan businesses competitive.

Sincerely,

6 Insulation Services, Clay Donnel  
Advanced Energy Group, Jim Moran  
AEM Solar, Jason Riebel  
Ameresco, Diane Mills  
Behler-Young, Doug Young  
Better World Builders, Mark Lee  
Billy Electric, Inc., Steve Leadman  
Blanket Insulation, Kevin Bailey  
Blue Terra Energy, LLC, David Camps  
Cadmus Group, Jill Steiner  
Cappy Heating & Air Conditioning, Inc., Jeffrey Caplan  
Cherry Republic, Bob Sutherland  
Comfort First Heating & Cooling, Brad Mann  
Community Green Energy, Fritz Kreiss  
Crystal Mountain Resort, Jim MacInnes  
Development Solutions, Walter Dindoffer  
E3Inc, Brian Johnson  
Ecojiva, Sridhar Ayer  
Ecotelligent Homes, Amanda Godward

EcoWorks, Jacob Corvidae  
Energy Alliance Group, Scott Ringlein and Curt Monhart  
Energy Saving Services, Brad Bartholomew  
Energy Sciences, Shelley Sullivan  
Environment Security Management, JT March  
Epstein Legal Services, PLLC, Melissa Epstein  
Falling Waters, LLC, David Snyder  
First Fuel, Austin Whitman  
Four Elements, Art Toy  
Franklin Energy, Paul Schueller  
Franklin Energy of Michigan, Fred Dreher  
Gardner-White, Rachel and Steve Tronstein  
GeoSmart Systems, LLC, Duane and Karen Watson  
Great Lakes Renewable Energy Association  
Green Home Energy, Mark Pytiak  
Greenman Studio, Peter Sinclair  
Greensleeves, LLC, Stephen Hamstra  
Growth Capital Network, Lauren Bigelow  
Hennesey Mathes Storage Solutions, Mike Hennesey  
Homeland Solar, John Freeman  
ICF International, Greg Mott  
ISMOTION, Ian D. Tran  
Jackpine Savage Guide Service, Charlie Weaver  
Keen Technical Solutions, Tim Pulliam  
Kimberly Lighting, LLC, Doug Jenkins  
Leelanau Community Energy, LLC, Douglas McInnis  
Levin Energy Partners, Andrew Levin  
Lime Energy, Alexander Castrol  
Livingston Restorations, Dave Livingston  
Lost Lake Farm, LLC, Carissa Savage  
Mackinaw Power LLC, Richard F. VanderVeen  
Masco Contractor Services, Steve Toepfner  
McHugh Financial LLC, Joe McHugh  
McNeely Building Group, LLC, Kevin McNeely  
MEI Hotels, Homewood Suites Detroit/Troy, David Moyar  
Michigan Energy Innovation Business Council  
Midland Solar Applications, Michael Langenburg  
Midwest Energy Efficiency Alliance  
Midwest Energy Group, Brian Pageau  
Navigant, Randy Gunn  
Newman Consulting Group, Jim Newman  
Nordman Sustainability Solutions, LLC, Erik Nordman  
Optimized Building Solutions, Douglas Elbinger

Opower, Matt O'Keefe  
Option Energy, Tom Sheren  
Parker-Artzn Heating and Cooling, Chad Jones  
Practical Energy Management, Linda Rasor  
Pure Eco, Ryan Oswald  
R.A. Bedzyk Consulting LLC, Robert Bedzyk  
Real Estate One Associates, William McMullin  
Riverbend Equine Services, Tania Evans  
Small Business Majority, Trent Varva  
SmartWATT, Art Olson  
Solar King, LLC, Don King  
Solar Winds Power Systems, Mike Linsea  
Sound Comfort Insulation, Dale Neville  
Spider9, Bill Beckman  
SunSteer, Steve Miles  
The Green Panel, Inc., Adam Harris  
The Oscar W. Larson Company, Adam Larson  
TM3 Systems, Nate Lowery  
TMI Compressed Air System, Inc., Charlie Sterken  
United Technologies  
USGBC-Detroit Regional Chapter  
Vantaura Energy Services, Bryan Houck  
VerWys Home Improvement, Doug VanderMeer  
Viking Sun Funds, Jon Pedersen  
Walker-Miller Energy Services, Carla Walker-Miller

cc: Michigan Governor Rick Snyder  
Commissioner John Quackenbush, Chair, Michigan Public Service Commission  
Commissioner Sally Talberg, Michigan Public Service Commission  
Commissioner Greg White, Michigan Public Service Commission