

August 17, 2020

Dr. Joy Wang
Michigan Public Service Commission
P.O. Box 30221
Lansing, MI 48909

Re: Comments on Energy Programs and Technology Pilots Draft Report

The Michigan Energy Efficiency Contractors Association (MEECA) is a nonprofit trade group working to strengthen Michigan’s energy efficiency industry for the benefit of our member companies—mainly contractors who serve electric and gas utility customers in the residential, commercial, industrial and agricultural sectors. MEECA participated in the Energy Programs and Technology Pilots workgroup and we thank MPSC Staff for this opportunity to comment on its draft report, *Utility Pilot Best Practices and Future Pilot Areas*.

Given the growing number of public commitments by Michigan utilities, communities and institutions to significantly reduce carbon emissions, a statewide framework is needed to plan, coordinate, and evaluate clean energy pilots to help expand low-carbon solutions going forward. As the draft report conveys, Michigan has extensive experience with EWR pilots from which to draw useful lessons about improving the EWR category of pilots specifically, and all utility pilot programs more generally.

Regarding the draft report:

MEECA supports Staff’s proposed definition of pilot (“*A pilot is a limited duration experiment to determine the impact of an intervention on one or more outcomes of interest.*”). Our support assumes that working definitions of the terms “experiment” and “intervention” are broad enough to include research questions that cover application of new technologies, business model viability, and issues of scalability.

MEECA supports Staff’s proposed criteria #1-6 for evaluating pilot proposals that come before the Commission for funding approval. As many stakeholders conveyed during the workgroup process, we also recommend that these criteria be applied with enough flexibility to allow for adjusting an active pilot if timely feedback suggests this would improve the effort.

MEECA supports Staff’s recommendation for development of an online Michigan pilot directory that would archive previous efforts, facilitate cross-referencing, and identify future pilot areas by utility. This would help eliminate duplication of effort by different utilities. It would also enhance pilot design and planning by incorporating lessons learned from previous efforts. To the extent that information about EWR pilots already exists in annual program EM&V reports, EWR Collaborative documents, and MEMD white papers, the pilot directory should contain clear references to these other sources of information.

MEECA supports Staff’s recommendation that the MPSC, Governor, or Legislature establish and promote more detailed foundational goals underpinning future energy pilots.

Scaling up low-carbon energy solutions requires a statewide energy vision. Integrated resource planning (IRP) already provides a formal process to evaluate future utility investments. Having pilots that can inform and demonstrate scalability of these investments should be considered in planning and evaluating new pilots. Likewise, the IRP development process for each utility should include an analysis of results from all potentially relevant pilots conducted to date. This would explicitly link small-scale pilot research to large-scale energy resource decisions.

Additionally, MEECA offers the recommendations listed below.

Recommendations related to process:

- MPSC should facilitate regular benchmarking of new pilot concepts and results from jurisdictions beyond Michigan to reduce duplication of effort and capture good ideas.
- MPSC should encourage and support inter-company collaboration in split service territories for EWR pilots which achieve combined gas and electricity savings.
- Planning and design of pilots should routinely incorporate early engagement with stakeholders including contractors.
- Ideas for new pilot programs should be solicited from all MI Power Grid workgroups.

Recommendations for pilot topic areas to consider:

- Scalability of deep energy retrofits—Integrated design and financing of improvements to building envelop and mechanical systems in existing structures.
- Scalability of on-bill financing and other means of addressing the challenge of providing upfront capital for EWR projects.
- Effectiveness of post-commissioning programs in all sectors including residential
- Contribution of EWR programs to achieve load reduction which can offset or delay generation and/or distribution investments
- Enhanced business and technical support of trade allies toward driving greater uptake of EWR programs (e.g., assistance with meeting workforce development challenges, etc.)

In closing, MEECA again thanks MPSC Staff for considering these comments on its draft report. We look forward to ongoing discussion about improving Michigan’s pilot program framework.

Respectfully,



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