

Ms. Teri Van Sumeren Testimony To
Senate Energy and Technology Committee
March 18, 2014

Introduction

Mr. Chairman and members of the Senate Energy & Technology committee. My name is Teri Van Sumeren. I am Manager of Energy Efficiency for Consumers Energy Company. I would like to thank the committee for the opportunity to submit my written testimony on the importance and benefits of Public Act 295, the Clean, Renewable and Efficient Energy Act of 2008. Specifically, I would like to focus my remarks on the benefits of energy efficiency programs for customers in the State of Michigan. The Michigan Public Service Commission reported in November 2013 that for every dollar spent on Energy Optimization programs, there is a return of \$4.07 in savings over the lifetime of the efficiency measures installed.

Consumers Energy is implementing a 7 year, \$660 million dollar program to reduce electricity use by 5.5% and natural gas use by 3.85% by 2015. We began offering energy efficiency programs in July 2009 that help our residential, commercial and industrial customers reduce their energy use, lower their utility bills and reduce their environmental footprints. We currently offer our residential customers 12 comprehensive programs while our business customers have the opportunity to select from over 240 energy efficient measures to help lower their energy bills and strengthen their competitive position.

Customer Participation

Since 2009, Consumers Energy has promoted energy efficiency to our 6.6 million customers. In total, our customers have already saved approximately 3,800 GWh of electricity and 17 Bcf of natural gas by participating in our programs.

Additionally, we are pleased to report that more than 600,000 homeowners and 97,000 businesses have participated in at least one of our programs since their inception saving approximately \$ 575 million on their utility bills.

Michigan Jobs

Our energy efficiency programs are delivered by six experienced energy efficiency companies employing nearly 300 individuals throughout the state. We are also proud to partner with many retailers throughout Michigan, including Ace Hardware, ACO Hardware, Big Lots, Costco, Dollar General, Dollar Tree, Home Depot, Lowe's, Meijer, Menards, Sam's Club, True-Value, Walgreens, and Wal-Mart representing 403 retail locations. Additionally, we rely on over 2,100 small business owners ranging from heating, ventilation and air conditioning companies to electrical and mechanical contractors, builders, architects and engineers to help deliver these programs to customers. Their support of our programs has been a vital component of our success.

Customer Satisfaction

The results from a recent customer satisfaction survey indicated that both our residential and business customers were very satisfied with their energy efficiency experience, rating them an 8.9 on a 10 point scale. We have also received numerous testimonials from businesses and homeowners applauding the benefits they have received from participating in one of our programs.

Impact on Michigan Economy

Investing in energy efficiency creates economic benefits that are shared throughout the Michigan economy. Our programs deliver long-term energy efficiency improvements that save energy for our customers year after year. Saving money on energy bills allows our customers to spend that money on goods and services at local businesses. Businesses that save energy can reinvest the money into increasing production and hiring new employees. Moreover, our energy efficiency incentives support thousands of independent contractors throughout the state, who are in turn able to increase local investment and hire new employees. We also provide additional incentives for equipment that is made in Michigan, supporting Michigan's vital manufacturing sector. These benefits have cycled through the Michigan economy. Even after allowing for economic activity that would have occurred if our programs had not been in place, between 2009 and 2012 our programs generated 6,831 years of employment, over \$850 million in economic output, and over \$31 million in state and local taxes.

Recognition

In 2012, Consumers Energy was awarded the ENERGY STAR® Partner of the Year Award from the Environmental Protection Agency and the U.S. Department of Energy for our Home Performance with ENERGY STAR program. Consumers Energy also received the Neighborhood Environmental Partner Award in both 2012 and 2013 from the Michigan Department of Environmental Quality for our collaborative partnership with other utilities to coordinate appliance recycling efforts for Michigan communities.

Conclusion

In closing, because energy efficiency not only delivers energy savings and customer bill savings but supports local businesses, their competitive position and the Michigan economy, Consumers Energy is pleased to reaffirm its commitment to Michigan's Clean, Renewable and Efficient Energy Act of 2008. You can learn more about each program at www.ConsumersEnergy.com/eeprograms.