

In this issue. . .

From the Executive Director:
2011—Year in Review

Home Energy Loan
Program Celebrates First
Year of Operation

The Board of Directors
Takes the Helm

BetterBuildings for Michigan
Upgrades 1,800 Homes,
and Counting

Top 25 Contractors for 2011

ANNUAL NEWSLETTER



From the Executive Director:

2011—Year in Review

2011 was an exciting year for Michigan Saves. The Home Energy Loan Program completed a successful first year of operation, with over 300 loans and more than 200 contractors signed up to promote the program. The Home Mortgage Program launched in three Michigan cities. And a grant from the Department of Energy has put the commercial program on track to launch in early 2012, following on the heels of our popular pilot program in Detroit.

Perhaps most important, with the end of the start-up grant from the Michigan Public Service Commission (MPSC) to Public Sector Consultants, Michigan Saves graduated to full self-governing status and operates as an independent nonprofit organization. Our board, expanded to 15 representatives of key stakeholder groups, is engaged in a strategy design session to shape the activities of Michigan Saves over the coming year.

We look forward to nurturing our existing programs, expanding the options for energy financing in Michigan, and exploring new partnerships and initiatives in 2012. We hope you will continue to support us as we work hard to support the energy efficiency and renewable energy sectors in Michigan.

Regards,

A handwritten signature in black ink that reads "Jeff Williams".

Jeff Williams
Executive Director

Home Energy Loan Program Celebrates First Year of Operation

The Home Energy Loan Program (HELP) offers an unsecured loan product that allows customers interested in high-efficiency upgrades or solar panels to quickly move past the upfront cost barrier. Since launching the program in September 2010, we have improved the application process and made HELP even more useful and easy for contractors and consumers across the state.

Statewide presence: In February of 2011, we added four new credit union partners, making the program available in every

Michigan county. Thanks to a surge of interest from contractors, we grew our contractor network into every county as well.

Loan cap increased to \$20,000: After reviewing participation rates in May, our lender partners were so pleased they immediately asked if we could increase the loan cap from \$12,500 to \$20,000. The Home Energy Loan Program is now a meaningful financing option for customers investing in bigger projects such as solar panels and geothermal heat pumps.

Start saving today!

www.michigansaves.org

Streamlined forms: In October, we issued a new, more streamlined version of the specification sheet that asks for much less information. This reduces the paperwork burden on contractors, and takes less time for homeowners to fill out, making the program even easier.

What Partners and Customers Say

Michigan Saves hired an independent evaluator to talk to our partners and let us know how we are doing. This firm surveyed a random sample of our contractors, and found that nearly all (92%) said they felt the Home Energy Loan Program helped them make a sale, and more than half (55%) said they made a bigger sale because the loan was available. The evaluators also surveyed more than one-third of our customers and found that a substantial number (41%) said they would not have purchased energy-related measures without the Home Energy Loan Program. These numbers confirm that our program makes a difference—helping people achieve energy savings they would not otherwise, and helping contractors increase their sales based on energy efficiency needs.

Two Exciting New Programs from Michigan Saves

One aspect of Michigan Saves' original mandate is to create financing programs to serve all types of energy consumers in the state. With that objective in mind, we have been working hard to create additional programs that benefit different types of customers.

Michigan Saves is developing a commercial loan program, using \$4.6 million received through a grant from the Department of Energy. The commercial energy loan program will help small businesses obtain credit for upgrades to buildings and equipment. A pilot, available now in Detroit, received 16 applications in a November alone; 17 contractors are already authorized, with several others in the process. The program is expected to launch statewide in early 2012, with the objective

of reaching a rate of 250 loans per year within two years.

The first loan to be completed through the new program is a renovation of Cass Café, a small restaurant in Midtown Detroit. Cass Café occupies a 1950s building in downtown Detroit. Though popular, the restaurant struggled with old, inefficient equipment, a drafty dining space, and high energy bills. Cass Café owner Chuck Roy jumped on the opportunity to get an energy audit to help him decide what problems to attack first, and special 1.99% financing to make the necessary projects affordable. Mr. Roy was also able to take

advantage of financing from sister program SmartBuildings Detroit, which offers grants of up to 25% of the project cost for energy efficiency upgrades of buildings in target Detroit neighborhoods. Partially funded by a Michigan Saves loan of \$100,000, Cass Café purchased two new

HVAC units, kitchen exhaust equipment, water heaters, roof insulation, new windows and doors, lighting upgrades, and new refrigeration equipment. In addition, Cass Café is gaining substantial energy savings through simple adjustments to operational practices that were recommended by the audit. Stop by for a bite to eat at Cass Café next time you're in Midtown.

We also launched a new option for residential upgrades this year. The Home Mortgage Program, launched in August, allows energy projects and other home improvements to be rolled into a new purchase or refinanced home mortgage. This program allows for larger projects than the unsecured HELP loan, and at lower rates. Michigan Saves is working with Prospect Mortgage and Building Science Energy Services to make these mortgages available to customers through a streamlined process. Through a partnership with DTE Energy, customers participating in the Home Mortgage Program in a DTE Energy natural gas service territory can get an instant rebate, paid at closing, of up to \$2,500.

FIRST-YEAR STATISTICS*

224	Authorized contractors participating in the program
306	Projects complete
\$2,526,918	Value of loans issued
287,735	kWh/year of electricity saved
55,168	CCF/year of natural gas saved

**Results from September 2010 through September 2011.*



The Board of Directors Takes the Helm

Michigan Saves was started in 2009 by Public Sector Consultants Inc. and its partner the Delta Institute through a grant from the Michigan Public Service Commission (MPSC). On September 30, 2011, the grant officially ended, making Michigan Saves an independently operated organization. Michigan Saves is governed by a 15-member Board of Directors, representing key stakeholders from the utility, financial, government, and nonprofit sectors. The board is the steward of the organization, and is responsible for setting goals, approving the annual

budget, and approving contracts. Board members are currently engaged in a strategy development process that will set the course for Michigan Saves over the next several years.

Board members are elected to three-year terms. In recognition of its critical role in setting policy to promote energy efficiency as well as its historic connection to Michigan Saves, the MPSC holds a permanent non-voting seat on the board.

Member	Organization	Role
Conan Smith	Southeast Michigan Regional Energy Office	President
Julie Hales-Smith	Consultant (recently retired from MSHDA)	Vice President/ Secretary
Tom Jensen	Lake Trust Credit Union	Treasurer
Jana Bachman	Michigan Public Service Commission	Ex officio (Special Advisor)
David Allen	Midwest Energy Cooperative	Director
Irene Dimitry	DTE Energy	Director
Malik Goodwin	Detroit Economic Growth Corporation	Director
Fallon Hall	Detroit Development Fund	Director
Emile Lauzzana	EnergyWorks Michigan	Director
Ken McCollum	Financial Plus Federal Credit Union	Director
Michael McGee	Miller Canfield	Director
Stephanie Minott	MSU Federal Credit Union	Director
Thom Phillips	Habitat for Humanity of Michigan	Director
Selma Tucker	City of Grand Rapids	Director
Teri Van Sumeren	Consumers Energy Company	Director
Sue Warren	Lansing Board of Water and Light	Director

BetterBuildings for Michigan Upgrades 1,800 Homes, and Counting

Since June 2010, Michigan Saves and the Michigan Energy Office, along with multiple local and regional partners, have been implementing a statewide program to find the best way to encourage homeowners and businesses to invest in energy efficiency improvements. The program, known as BetterBuildings for Michigan, has signed up more than 1,800 homeowners to participate in the program throughout the state. BetterBuildings for Michigan, funded by a grant from the Department of Energy, selected 27 neighborhoods around the state to target with packages of marketing and incentives to encourage homeowners to invest in deeper energy upgrades. While homeowner

contributions and incentive packages vary slightly in each neighborhood, participating homeowners receive a home energy assessment and installation of quick, low-cost energy saving measures such as CFL bulbs and water heater pipe insulation. In many neighborhoods, installation teams provide air sealing to reduce air leakage by at least 10%. These measures alone are estimated to reduce energy use by 10-15%. The program further offers rebates and low-cost financing, in addition to assistance with utility rebates and other incentive programs, to help homeowners achieve even greater energy savings.



BetterBuildings for Michigan takes a grassroots approach to promoting energy efficiency. The program works with local organizations such as neighborhood associations, churches, schools and other groups to accomplish initial outreach. Customers who sign up work with area contractors that have been pre-screened for licensing, insurance, and advanced certification. Customers interested in financing their improvements can get special rates on Michigan Saves Home Energy Loans from Genisys Credit Union, a nonprofit Michigan-based lender. “Keeping the program local ensures that we get the most effective marketing and outreach. Customers also get to feel good about the fact that they are supporting

Michigan companies and creating jobs here in Michigan,” says Program Director Mary Templeton. The program expects to retrofit more than 10,000 homes before it closes in 2013.

The program also supports non-residential energy efficiency by funding a program called SmartBuildings Detroit. SmartBuildings provides grants and low-cost loans for projects up to \$400,000 in public, institutional, and commercial buildings in key geographic areas of the city of Detroit. More than 13 million square feet of building improvements are expected to be completed by mid-2013.

Top 25 Contractors for 2011

The Michigan Saves Home Energy Loan Program has had a very successful inaugural year, thanks in large part to our network of authorized contractors. Michigan Saves authorized contractors are screened for licensing, insurance, and advanced certification, and reviewed for quality assurance. Only these contractors are authorized to offer the financing to their customers. To honor those that have made the best use of the program, we present the top contractors for 2011.

Schaafsma Heating & Cooling Co. of Grand Rapids wins the award for top authorized contractor in the Michigan Saves Home Energy Loan Program. Schaafsma has held the top spot since the program’s launch. “Michigan Saves has been good for our business,” says Schaafsma President, Bill Krestakos. “We promote the program to all of our customers.”

Schaafsma and the other contractors on our top 25 list will be receiving awards and prizes from Michigan Saves, including large vehicle magnets featuring the Michigan Saves logo. Congratulations to our top 25 contractors! And thanks to all the contractors that have implemented a Michigan Saves project this year.

Company	Contractor Type	Jobs
Schaafsma Heating & Cooling Co.	Mechanical	22
Kotz Heating & Air Conditioning Inc.	Mechanical	16
Inspired Green	Builder	14
Thompson Plumbing & Heating Inc.	Mechanical	13
Adkisson Air 1 Heating & Cooling	Mechanical	10
WellHome	Home performance	10
Advanced Energy Options	Builder	8
Dee Cramer	Mechanical	8
Hansons Window & Construction Inc.	Builder	8
Bowen Refrigeration, Heating & Cooling	Mechanical	7
Holland Heating & Cooling Inc.	Mechanical	7
Meadowlark Energy LLC	Home performance	7
Colonial Heating & Cooling	Mechanical	6
E.H. Ward Co.	Mechanical	6
Aaron's Home Improvement Inc.	Builder	5
Applied Building Science	Builder	5
Diversified Heating & Cooling Inc.	Mechanical	5
Ecotelligent Homes Inc.	Energy auditor	5
SIR Home Improvement	Builder	5
Bel-Aire Heating & Air Conditioning	Mechanical	4
Blessing Co.	Mechanical	4
Home Service Corporation	Mechanical	4
Mechanical Energy Systems Inc.	Mechanical	4
Meridian Plumbing	Mechanical	4
Suburban Heating & Cooling Inc.	Mechanical	4