



Board:	City Commission
Agenda Date:	06-09-2025
Department:	Electric
Presenter:	James Olson – Brett Niemi

## Staff Report

### Agenda Item Title:

Compliance of Michigan PA 229 – Energy Waste Reduction

### Background:

WPPI has been evaluating option for compliance with Michigan PA 229 – Energy Waste Reduction. They looked at self-implementing with their current Energy Innovations Collaborative (EIC), MPPA/MMEA's program, and the State administered Efficiency United (EU) program. They found the MPPA program ended up not being an option due to their member eligibility requirements nor does WPPI have confidence that Michigan Energy Options with the EIC program could achieve the energy savings requirements. Additionally, WPPI believes both would have higher costs than EU.

WPPI feels Efficiency United is the best available option and recommend that your utility participates starting January 1<sup>st</sup>, 2026. The program is contracted through Michigan Community Action (MCA), with CLEAResult as the implementation contractor. They sent us a draft last week with estimated costs coming in at 2.2% of annual revenues, which was lower than expected. Budget is based on:

- 1.5% energy savings goal
- Electrification not included
- 5% increase in revenues from 2025 to 2026
- 25% of incentives spent on income qualified measures

### Fiscal Effect:

Estimates:

2026 \$99,608

2027 \$104,588

### Supporting Documentation:

Estimates for Utility Budget

### Recommendation:

Motion to authorize the City of Gladstone enter a contract with Efficiency United Program to comply with Michigan PA229 – Energy Waste Reduction and allow the City Manager Eric Buckman to sign the contract.

<b>2026</b>					
<b>Utility</b>	<b>Implementation</b>	<b>Incentives</b>	<b>Admin</b>	<b>Evaluation</b>	<b>Total</b>
Baraga	\$ 22,236	\$ 32,118	\$ 4,324	\$ 3,088	\$ 61,766
Crystal Falls	\$ 24,263	\$ 35,047	\$ 4,718	\$ 3,370	\$ 67,398
Gladstone	\$ 35,859	\$ 51,796	\$ 6,973	\$ 4,980	\$ 99,608
L'Anse	\$ 14,280	\$ 20,627	\$ 2,777	\$ 1,983	\$ 39,667
Negaunee	\$ 30,171	\$ 43,581	\$ 5,867	\$ 4,190	\$ 83,809
Norway	\$ 28,734	\$ 41,505	\$ 5,587	\$ 3,991	\$ 79,817
<b>Total</b>	<b>\$ 155,544</b>	<b>\$ 224,674</b>	<b>\$ 30,245</b>	<b>\$ 21,603</b>	<b>\$ 432,065</b>

<b>2027</b>					
<b>Utility</b>	<b>Implementation</b>	<b>Incentives</b>	<b>Admin</b>	<b>Evaluation</b>	<b>Total</b>
Baraga	\$ 23,348	\$ 33,724	\$ 4,540	\$ 3,243	\$ 64,855
Crystal Falls	\$ 25,477	\$ 36,799	\$ 4,954	\$ 3,538	\$ 70,768
Gladstone	\$ 37,652	\$ 54,386	\$ 7,321	\$ 5,229	\$ 104,588
L'Anse	\$ 14,994	\$ 21,658	\$ 2,916	\$ 2,083	\$ 41,650
Negaunee	\$ 31,680	\$ 45,760	\$ 6,160	\$ 4,400	\$ 88,000
Norway	\$ 30,171	\$ 43,580	\$ 5,867	\$ 4,190	\$ 83,808
<b>Total</b>	<b>\$ 163,321</b>	<b>\$ 235,907</b>	<b>\$ 31,757</b>	<b>\$ 22,683</b>	<b>\$ 453,669</b>