



Ann Arbor's Sustainable Energy Utility ... Coming Soon

100% Clean, Reliable, Resilient, Locally Built
and Owned, Optional, and Supplemental
Utility





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Context

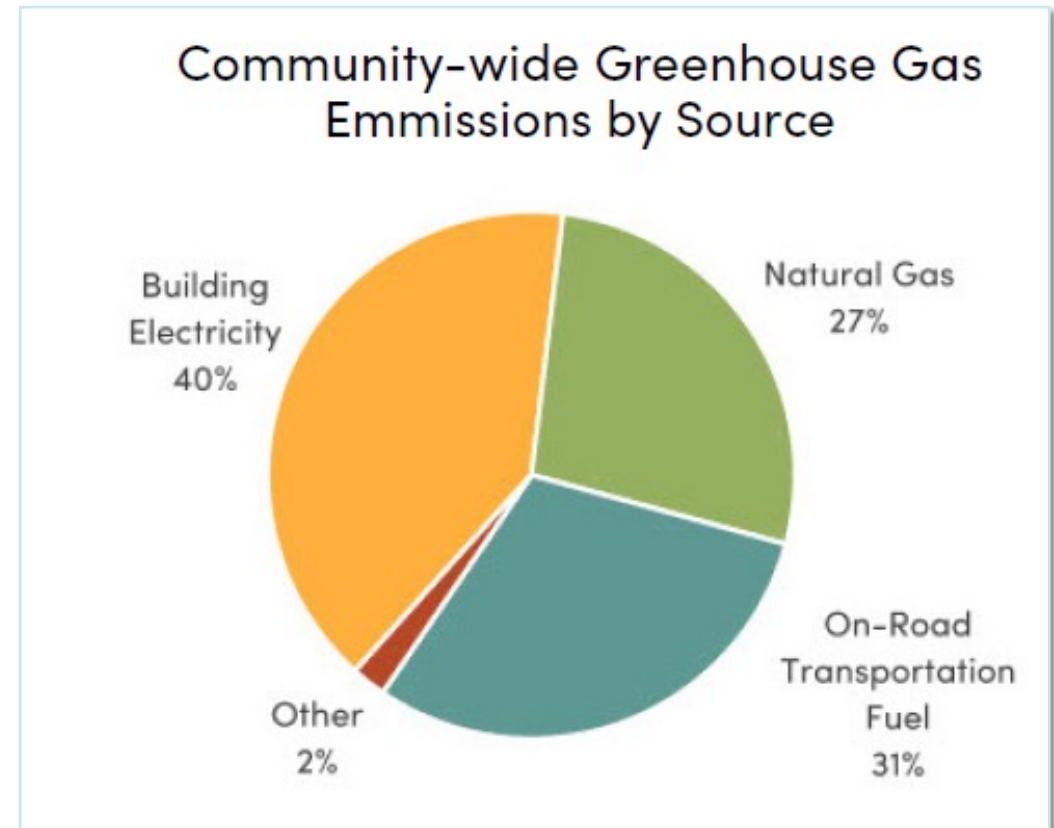
Vision

Next Steps and Timeline

Emissions by Source



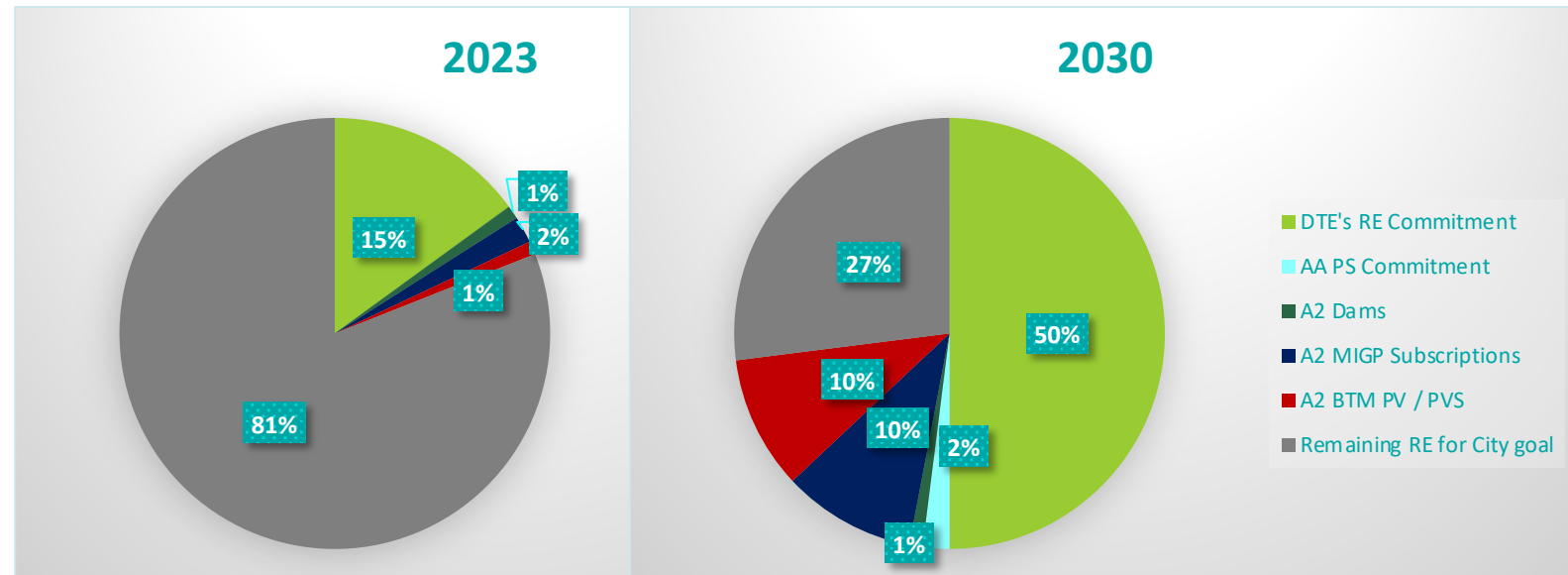
- 40% of community-wide emissions come from building electricity usage
 - Nearly 70% come from buildings as an entire sector
- Vehicle (and building) electrification is increasing this figure
- Goal of a just transition to community-wide carbon neutrality by 2030 (A²ZERO)



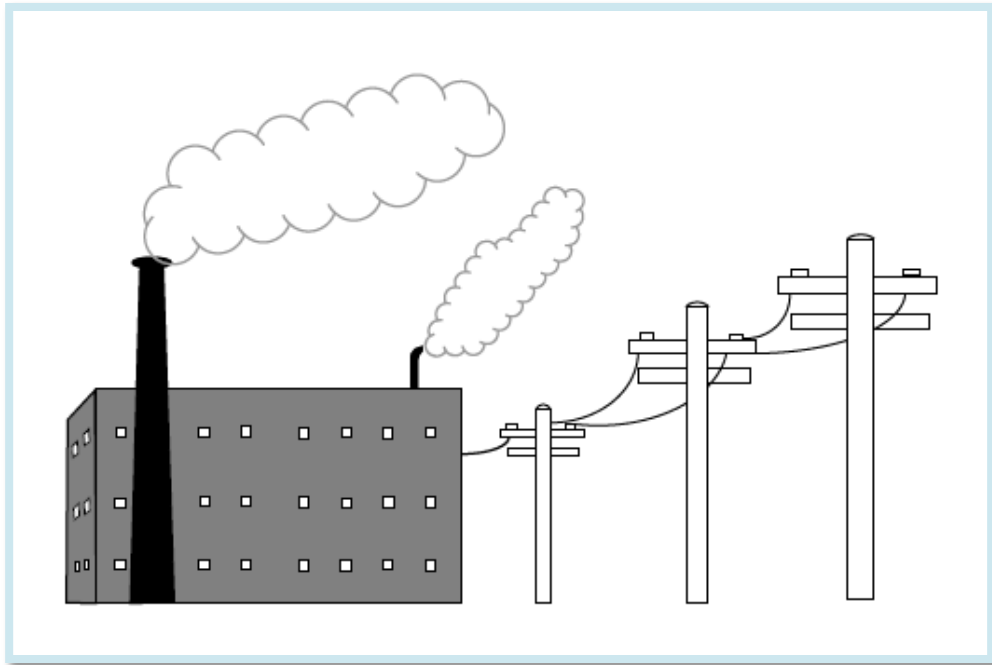
Ann Arbor Energy Profile



Renewable share of Ann Arbor's power supply will increase due to State mandate, DTE plans, and current Ann Arbor initiatives, but will not reach 100%, without further interventions.



Michigan Energy Context

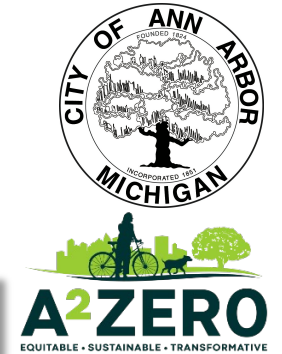
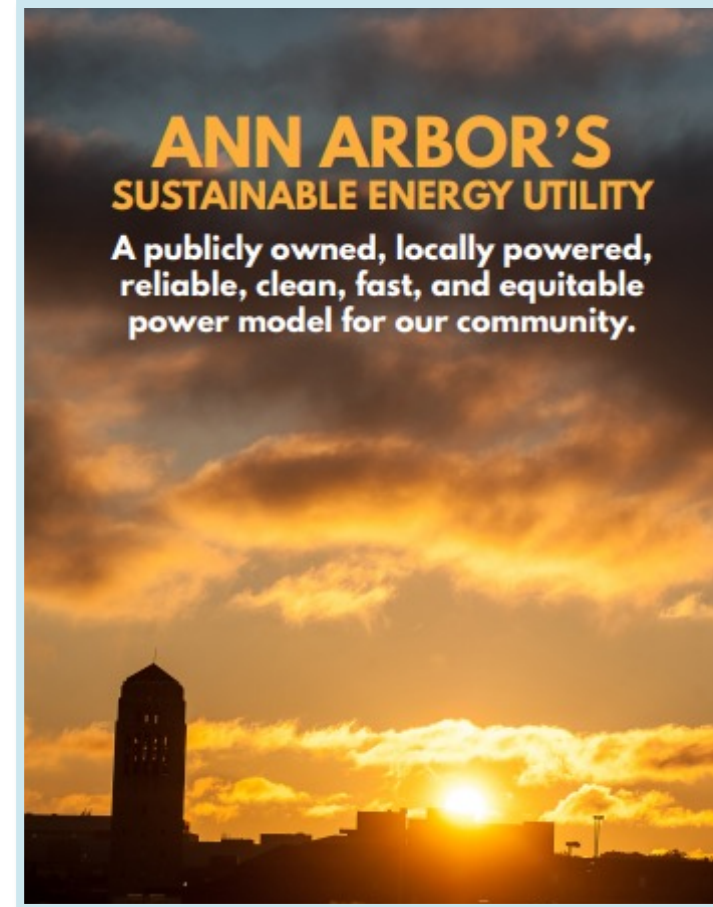


- Ann Arbor has a pre-Foote Act franchise, meaning our current utility's franchise is considered perpetual.
- Foote Act franchises are not exclusive; MI law gives cities and villages the right to compete, as well as the Constitutional right to take over an existing franchise. That means we could:
 - Buy out DTE's infrastructure (traditional municipalization)
 - Create a parallel utility to supplement DTE's service (SEU).
 - Continue the relationship we have.
 - Push for new utility laws and policies.
 - Other...

Sustainable Energy Utility

To close this gap while investing in local, resilient, reliable, and affordable energy, we can create the SEU:

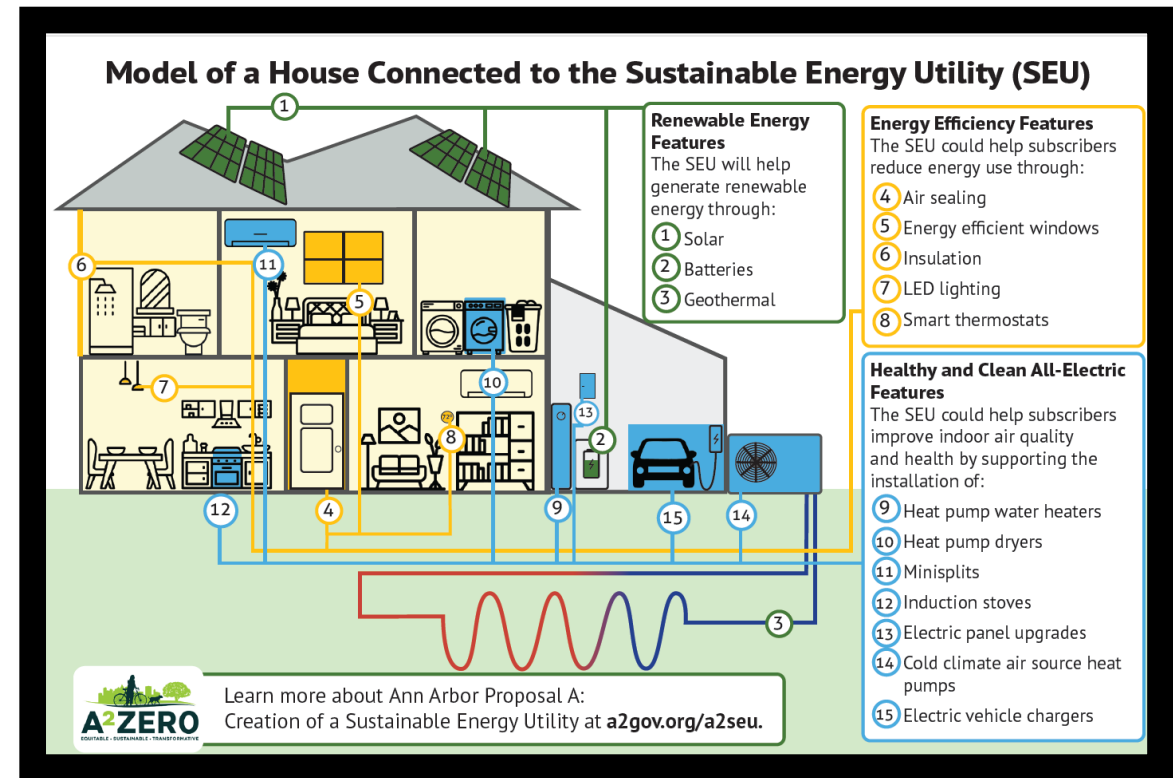
- A community owned energy utility that provides reliable and resilient electricity from local solar and battery storage systems installed on homes and businesses throughout the City.
- A utility focused on generation – generating clean energy in our community, for our community.
- A supplemental utility that offers sustainable ways to heat and cool your home or business, like from networked geothermal.
- A utility that gives residents a choice for where they procure their energy.
- A parallel utility that immediately reduces emissions and invests in the utility of the future.



What services would an SEU provide?



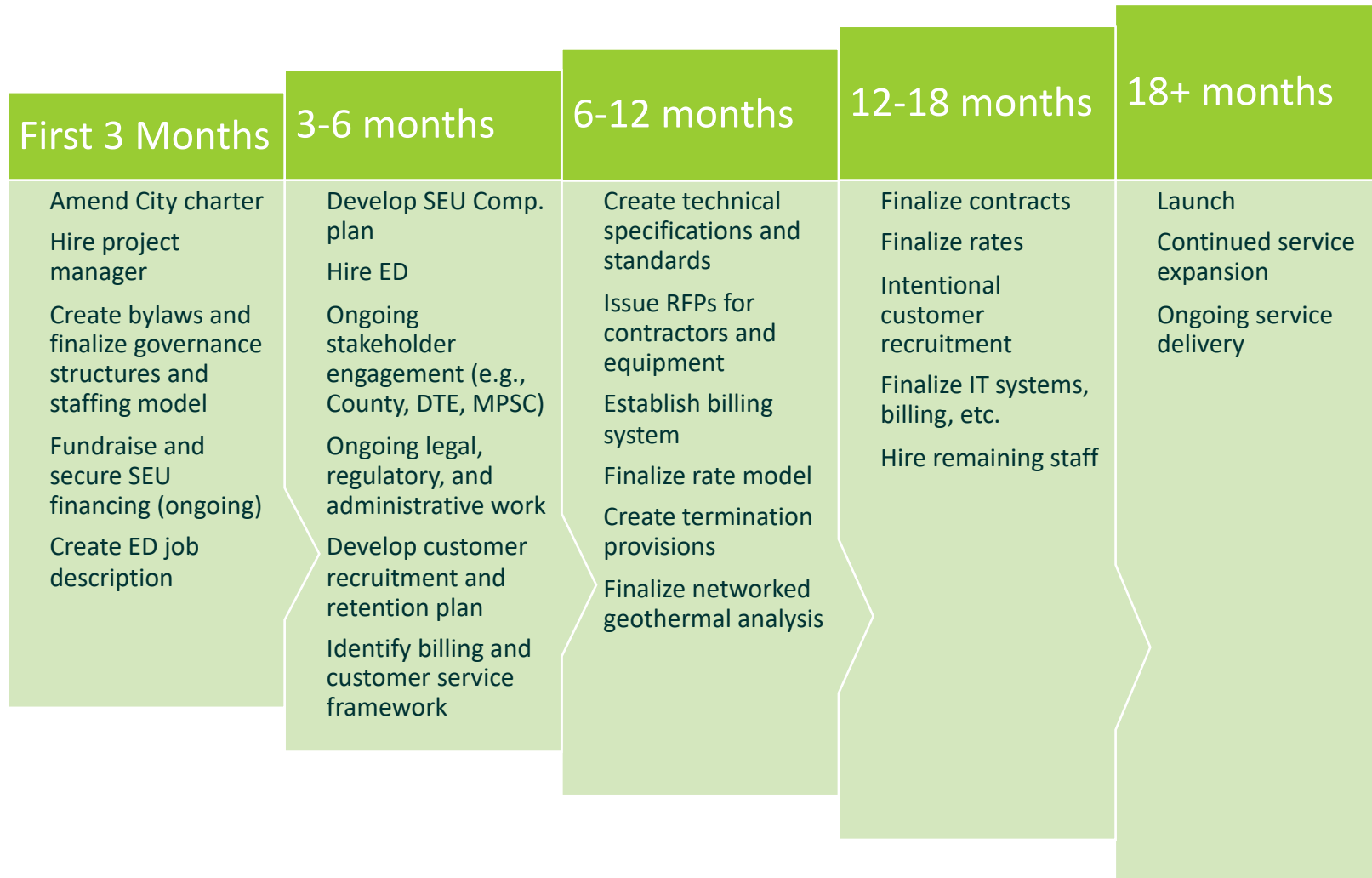
- Solar and energy storage to improve reliability.
- Air source and ground source heat pumps, including networked geothermal.
- Robust energy waste reduction efforts that improve indoor comfort, health, and safety, all while saving money.
- Microgrids(ish) between neighboring households, to share solar and storage.
- Support for beneficial electrification to support cleaner and safer homes and businesses.
- On-bill financing to help lower the costs of beneficial electrification and efficiency improvements while increasing payment flexibility.
- Over time, community solar programs and new community desired clean energy offerings.





What do we need to do to start the SEU?

SEU Launch Timeline



Ongoing Items



- To succeed, the SEU must be cost-competitive with private solar leases.
- Storage cannot be paid for by avoided energy costs but provides the customer resilience value (think generator).
- Financing requirements for the SEU can be debt, grants, or provided by an equity partner.
- Adoption rates matter!
- Financing matters!



Ongoing Items



- Engagement and expectation management
- Fundraising and financing
- Correcting mis or incomplete information
- Customer recruitment
 - Interested in joining the waitlist:
<https://osi.a2gov.org/SEUwaitlist>
- Utility creation





Next Steps



Immediate Next Steps

- Ongoing outreach and engagement with the public
- Fundraising
- Encouraging folk to join waitlist
- City ordinance adoption
- Hiring of ED!
- SEU Comprehensive Plan





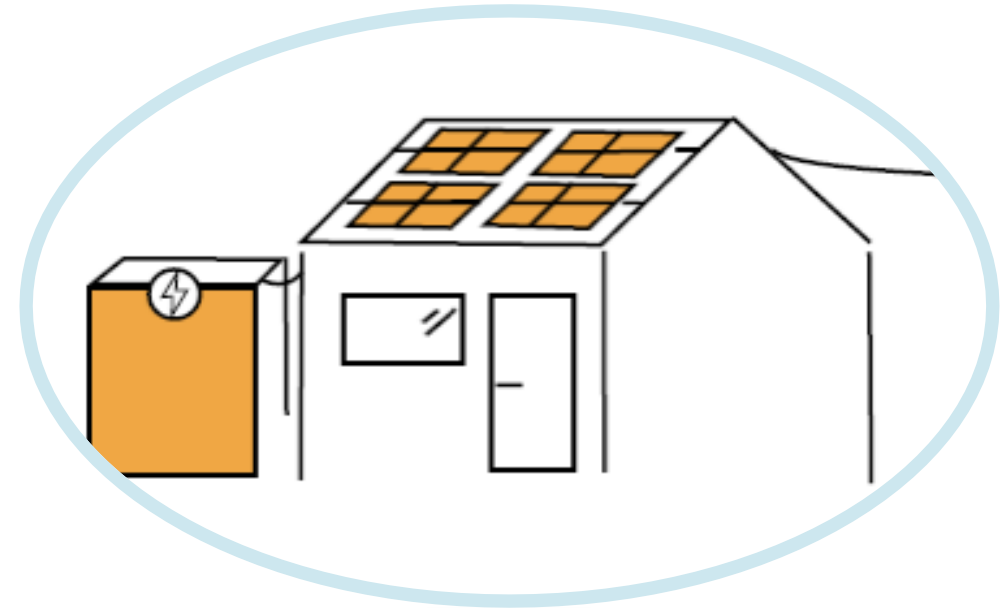
STAY UP TO DATE AT

www.a2gov.org/a2seu

Examples: SEU-Owned Solar



- Enroll in the SEU as a supplemental utility to DTE.
- SEU places solar on roof, maximizing the generation potential, and sending the excess to SEU-owned storage (and eventually to neighbors).
- SEU assists in electrification and efficiency improvements. Homeowner has option to finance upgrades with on-bill financing.
- Can eventually connect to networked geothermal system.
- Resident receives two bills, one for usage from DTE and one for usage from the SEU.



Scenario 1: SEU Owned Solar

Example: SEU W/O On-site Solar



- SEU assists in electrification and efficiency improvements. Resident has option to finance upgrades with on-bill financing.
- Once micro grids become available, resident receives power from excess energy generated by neighbors or the SEU's battery system.
- Once available, resident can sign up for networked geothermal to heat and cool their home/business.
- Resident receives two bills – for SEU financed improvements and/or SEU drawn solar and one from DTE.



Scenario 2: Homeowner/Business with poor solar potential

Example: Customer-owned solar



- Resident enrolls in the SEU.
- SEU assists in electrification and efficiency improvements. Resident has option to finance upgrades with on-bill financing.
- Resident uses power from their solar system – any excess is sold to the SEU and distributed through the micro and/or nano grid to neighbors (*once available*) OR put onto the SEU battery system OR sold to DTE.
- Can eventually connect to networked geothermal system.
- Owner receives two bills, one from DTE and one from the SEU.



Scenario 3: Homeowner/Business who owns their own solar

Example: Renters



- Enrollment and programs are done in coordination with landlord.
- Renters are eligible for all applicable SEU programs.
- Green rental leases and on-bill financing enable the improvements to stay with the building, the financing to be spread over a longer period, and the benefits to be realized by current and future tenants.



Scenario 4: Renters and Multi-Family Units