



**COMMITTEE OF THE WHOLE MEETING  
LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS  
July 12, 2022 – 5:30 P.M.  
Board of Water & Light Headquarters - REO Town Depot  
1201 S. Washington Ave., Lansing, MI 48910**

BWL full meeting packets and public notices/agendas are located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

**AGENDA - UPDATED**

Call to Order

Roll Call

Public Comments on Agenda Items

- 1. Committee of the Whole Meeting Minutes of May 10, 2022 ..... **TAB 1**
- 2. Energy Waste Reduction and Renewable Energy Presentation ..... **TAB 2**
- 3. Amendment to Appointment to MPPA - Resolution ..... **TAB 3**
- 4. Blackout Coordination Meeting..... **INFORMATION ONLY**
- 5. Environmental Updates..... **INFORMATION ONLY**

Other

Adjourn

## COMMITTEE OF THE WHOLE

### Meeting Minutes

May 10, 2022

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, May 10, 2022.

Committee of the Whole Chair Sandra Zerkle called the meeting to order at 5:30 p.m. and asked the Acting Corporate Secretary to call the roll.

Present: Commissioners Sandra Zerkle, Beth Graham, Semone James, DeShon Leek, Tony Mullen, David Price and Tracy Thomas, and Non-Voting Members: Larry Merrill (Delta Township), Douglas Jester (East Lansing), and Brian Ross (DeWitt Township)

Absent: Commissioner Dusty Horwitt

The Acting Corporate Secretary declared a quorum.

#### **Public Comments**

There were no public comments.

#### **Approval of Minutes**

**Motion** by Commissioner James, **Seconded** by Commissioner Thomas, to approve the Committee of the Whole Meeting minutes of March 8, 2022.

**Action:** Motion carried. The minutes were approved.

Chair Zerkle introduced and welcomed the new Corporate Secretary, Ms. LaVella Todd, and the new Internal Auditor, Mr. Frank Macciocca.

#### **Energy Presentation**

General Manager Dick Peffley provided a background of BWL's move toward carbon neutrality and presented market structure and requirements, current market conditions, technology comparison and the BWL portfolio on energy.

GM Peffley highlighted the following:

- 1) the regulatory framework and the MISO market footprint under market structure and requirements which includes delivering electricity to customers and reserving enough generation for peak demand;
- 2) the average cost of energy supply, recent market changes in energy prices, the costs of capacity and transmission under current market conditions which includes noting that energy, capacity and transmission prices are increasing, and that local energy and capacity avoids expensive transmission;

- 3) energy output and energy profiles under technology comparisons which includes intermittent energy, limited credit for capacity given by MISO, and external sourcing being needed due to size of land for solar and wind, and;
- 4) current and projected energy and capacity needs under the BWL portfolio which includes BWL experiencing an unprecedented load growth, and the acceleration of coal plant retirements requiring replacement.

GM stated that BWL's goal of carbon neutrality by 2040 will be met.

Vice Chair Zerkle asked whether there would be a rate increase with the recent market, energy, and technology changes. GM Peffley responded that there wouldn't be a rate increase for customers due to the changes but there will be a minimum increase in the electric rate discussed in the Finance Committee Meeting. Vice Chair Zerkle asked whether customers would incur any of the costs for the new plants. GM Peffley responded that BWL is looking into purchase power contracts to absorb the costs.

Commissioner Mullen asked what carbon neutrality means for the BWL. General Counsel Mark Matus responded that the BWL will capture as much carbon as is emitted for a net zero effect on the environment. Mr. Matus stated that there is emerging technology for the sequestration of gases from power plants, the filtering of carbon in the air and turning it into rock, and the purchasing of trees to capture carbon.

Commissioner Jester commented that storage technology will address some of the gaps and the price of energy on the grid is driven by gas prices.

### **Return on Equity (ROE)**

CFO Shawa stated that the recommendation for the two-year extension, Amendment No. 6 to the Return on Equity agreement with the City of Lansing, requests a rate of 6.0% of gross revenue, excluding inner utility revenue, and that quarterly payments rather than biannual payments are being recommended. If an adjustment is needed, it will be made in the fourth quarter.

**Motion** by Commissioner Mullen, **Seconded** by Commissioner James to approve the resolution for the Return on Equity agreement with the City of Lansing.

**Action:** Motion Carried

Commissioner Merrill commented that return on equity agreements, payments in lieu of taxes, may cause some divisiveness between the municipality and the community of customers as the payment is a benefit to the municipality. Representing that payment is consistent to what other communities nationwide pay is necessary for the recognition of equity and fairness.

### **Rate Structures**

Commissioner Jester introduced Ms. Janice Beecher, Director of Institute of Public Utilities at MSU, who presented on water affordability and pricing modes. Ms. Beecher provides continuing education to utility regulators, conducts research, and provides publications.

Ms. Beecher spoke about pricing models and shared a detailed supporting slide deck; household utility expenditures; trends for utilities; pressures on water utility costs, prices, and affordability; reasons for cost and price disparity; shifts in infrastructure funding and financing; and sustainable systems.

Commissioner Zerkle commended the BWL on providing assistance to customers that needed help paying bills.

Commissioner Merrill asked whether the BWL has considered a cost or fee structure based on income rather than usage, requested information regarding the Bolt v. City of Lansing court constraints on enterprise services prices, and whether Lansing Fire compensates the BWL for the extra capacity of the system to provide for fire protection through hydrant rental or other system of transfer. GM Peffley responded that a water rate recommendation will be provided during the Finance Committee meeting, new ideas are being explored comparable to what Ms. Beecher presented, and BWL has looked into access to funding. GM Peffley added that the City's fire protection is part of the rate for usage and additionally there is a distribution system similar to hydrant rental. GM Peffley responded that BWL is exploring enterprise services prices and usage rewards.

Commissioner James commended CFO Shawa and GM Peffley on the energy presentation. GM Peffley responded that a copy of the presentation would be sent to the Commissioners with an audio ?. Commissioner James also commended GM Peffley on the 100% renewable agreement with General Motors and would like information on how it will be met. GM Peffley responded that the 100% renewable was not in the request from General Motors due to an additional premium, but renewables will be negotiated and details provided to the Commissioners thereafter.

Commissioner James inquired about DEI training that is provided to regular BWL employees being provided to the two new appointed employees. GM Peffley responded that training is available and will be provided.

### **Other**

**Motion** by Commissioner James, **Seconded** by Commissioner Graham for an excused absence for Commissioner Dusty Horwitt.

**Action:** Motion Carried.

### **Adjourn**

Chair Zerkle adjourned the meeting at 7:05 p.m.

Respectfully Submitted  
Sandra Zerkle, Chairperson  
Committee of the Whole



2021  
Energy Waste Reduction  
& Renewable Energy  
Annual Update

Committee of the  
Whole July 12, 2022

# Energy Waste Reduction Summary - 2021

2021 Program	Goal - Savings (kwh)	Final Results - Savings (kwh)	Goal - Budget (\$)	Final Results - Budget (\$)
Low Income		432,174		\$267,149
Residential		2,918,408		\$722,278
Business		16,161,557		\$2,986,183
Total Portfolio	16,097,771	20,931,646	\$3,946,728	\$3,975,611
Administration			\$ 400,000	\$ 297,970
Evaluation			\$ 250,000	\$ 213,804
<b>TOTAL</b>	<b>16,097,771</b>	<b>20,931,646</b>	<b>\$4,596,729</b>	<b>\$4,487,384</b>

# COVID Impacts to Programs

- ▶ Product supply issues continued throughout the year for all programs
- ▶ Residential - In-home audits, appliance recycling, and a limited number of events were reinstated
- ▶ Commercial -on-site assessments were reinstated, offered bonus incentives on popular lighting conversions
- ▶ Evaluation - Customers were given a choice between a virtual or in person inspection

# What is 20,931,646 kWh of energy savings?

Equivalent to CO2 Emissions From:





# Looking Forward

- ▶ As of December 31, 2021, Municipal electric utilities are no longer required to offer Energy Efficiency Programs
- ▶ BWL will continue programs to support the Strategic Plan and the Integrated Resource Plan (IRP)
- ▶ Program design completed for 2022-26
- ▶ Increasing savings goals:
  - 1.25% in 2022; 1.35% in 2023 and 1.5% for 2024-26
- Total kWh saved will be 1,769,361,151 kWh over 5-year period
- Budget for Plan is \$24,561,343 over 5-year

# Residential Programs

# Residential Program Overview

- Services for Low Income Customers
- High Efficiency Lighting
- Appliance Recycling
- Multifamily Services
- ENERGY STAR™ Products/Equipment
- Education and Pilot Programs

# Residential - Program Highlights



559 ENERGY STAR  
Appliances



561 Wi-Fi  
Thermostats

30,861 LEDs

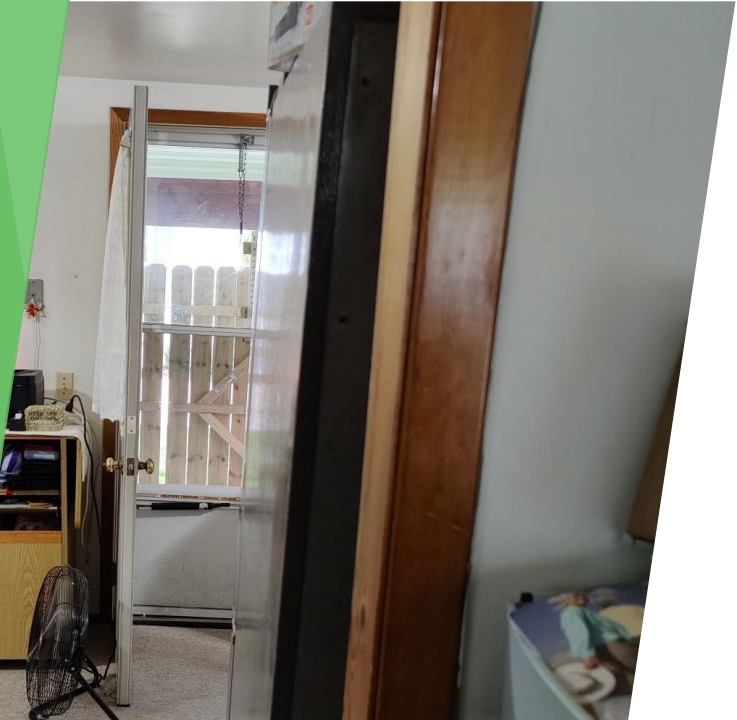


439 Aerators



# Hometown Help Visit Success Story

- ▶ Elderly customer with limited mobility
- ▶ BWL installed LEDs and replaced two older, struggling dehumidifiers
- ▶ Customer had a rather large refrigerator that ran constantly
  - ▶ Too big for the home, overextending the counter and impeding safe access to the hallway
  - ▶ Replaced w/smaller ENERGY STAR™ unit that fits in her home and is no longer an obstacle



# Business Programs

# Business - Program Overview

- ▶ Prescriptive Program
  - ▶ Lighting/HVAC
- ▶ Custom Program
  - ▶ Anything not on the application!
- ▶ Small Business
  - ▶ Enhanced incentives for businesses that meet criteria (number of employees, square footage)
  - ▶ Achieved almost 700% of initial goal
- ▶ Indoor Agricultural
- ▶ Education and Pilots



# Business - Notable Upgrades



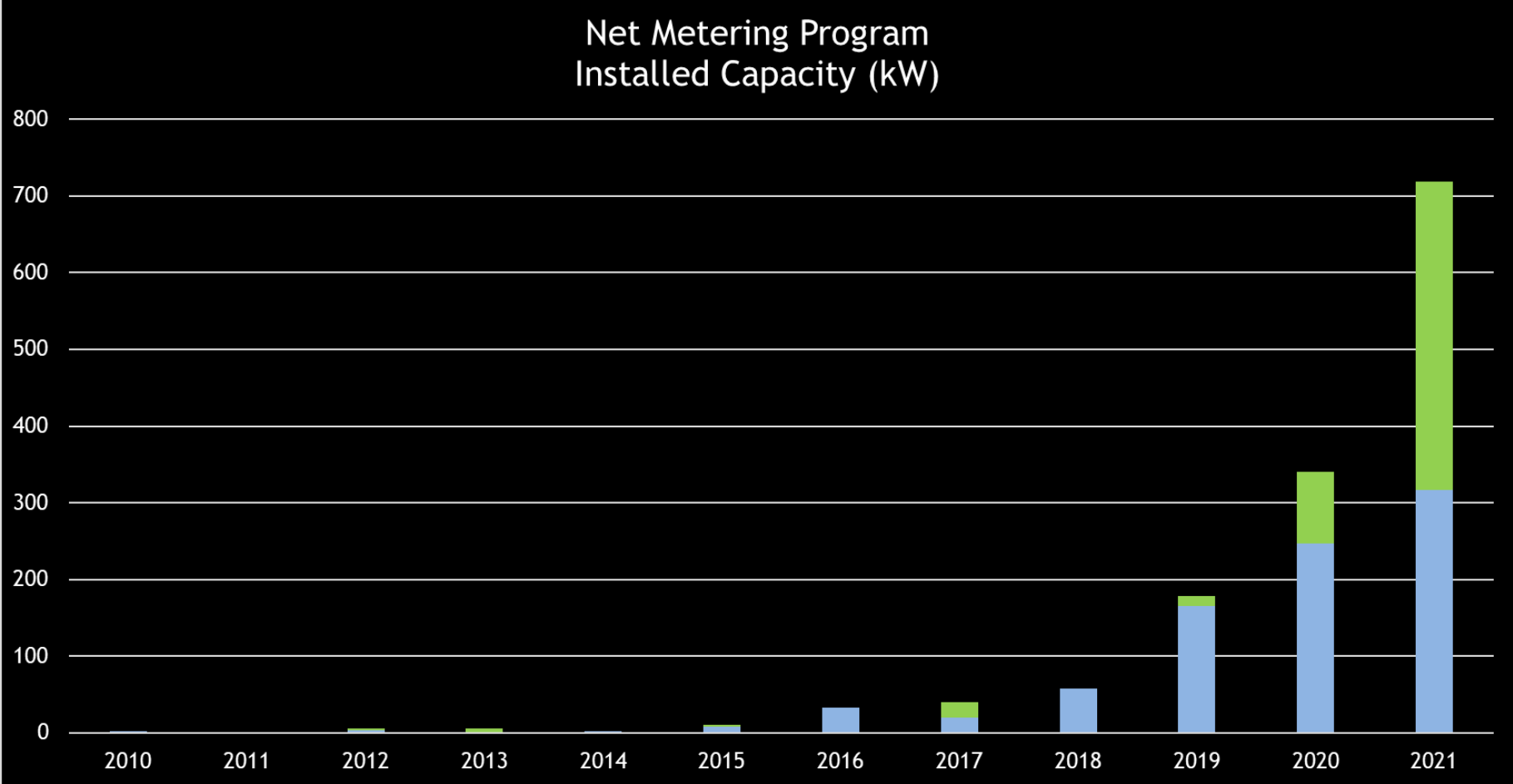


# Renewable Energy

# Renewable Energy 2021 Summary

- BWL was required to and met the state's 15% renewable energy portfolio mandate.
- BWL achieved its 30% clean energy by 2020.
- BWL is currently in compliance with all aspects of PA342.

# Net Metering Program



Thank you!

Questions?



PROPOSED RESOLUTION  
Amending Appointment to Michigan Public Power Agency

WHEREAS, Dave Bolan is the Michigan Public Power Agency (MPPA) Commissioner on behalf of the Lansing Board of Water & Light (BWL), along with James Mitchell and Constance Carantza, who serve as First and Second Alternate Commissioners, respectively; and

WHEREAS, Lynn McKinstry serves as the BWL's Director of Operations' Process Support; and

WHEREAS, it is appropriate and in the best interest of the BWL to name a replacement for the BWL's First Alternate on behalf of the BWL.

NOW, BE IT RESOLVED, that Dave Bolan will remain as the MPPA Commissioner on behalf of the BWL.

FURTHER RESOLVED, that Constance Carantza will remain as the Second Alternate Commissioner.

FURTHER RESOLVED, that Lynn McKinstry is named as BWL's First Alternate MPPA Commissioner.