

NMCAA-Energy partnership helps cut residents' utility bills with solar



Low-income residents who have already seen their utility costs reduced after their homes were weatherized by Northwest Michigan Community Action Agency (NMCAA) are now realizing additional savings through a pilot program that involves renewable energy credits.

As a result, program participants will pay as much as 70 percent less for electricity than they did previously – “which is huge,” said Steve Taylor, building performance and home repair manager for NMCAA. The savings are particularly helpful for the residents NMCAA works with because studies show that low-income people spend proportionately more of their income on utility bills, leaving them less for necessities such as food and health care.

The new program – which involves NMCAA, Cherryland Electric Co-Op, the Michigan Bureau of Community Action and Economic Opportunity, the State Energy Office and the U.S. Department of Energy – helps accomplish two goals: moving people toward economic self-sufficiency and aiding the environment, Taylor said.

Through the initiative, 50 low-income northwest Michigan households will receive renewable energy credits tied to solar panels in the Spartan Solar community array near Cadillac, in which Cherryland Electric is a partner.

The program is based on the concept of virtual net metering, in which solar energy is not used directly by homes on-site, but rather collected at a site shared by subscribers. Customers receive credits on their electric bill for excess energy produced by their share of a solar garden.

The program was implemented about six months ago after two years of planning. The credits were to begin showing up on customers' bills in April, and they are projected to reduce participants' yearly electric costs by 30 percent.

“The partnerships that make this program possible show what creative collaboration can do to help people who need energy assistance,” said State Rep. Larry Inman. “It is a great mix of applying renewable energy along with weatherization techniques to help people save money and have more resources for other necessities.”

To participate, households must meet income guidelines and their homes must have undergone NMCAA weatherization (such as installation of weather stripping, new windows or insulation) or passed an energy audit. More than 90 percent of households received weatherization services that lowered their energy bills by 40 percent on average, Taylor said, pushing their total savings to 70 percent with the renewable energy credits.

Under the NMCAA/Cherryland Cooperative partnership, the leases on the solar panels – seven per household – will run for 15 years. Qualified participants can stay in the program as long as their bill payments are up to date.

“The beauty of it is that we’re helping promote renewable energy use but there’s nothing installed on their home, so there’s no construction and no disruption to their lives,” Taylor said.

Other pilot programs with similar goals but different designs are underway elsewhere in the country, Taylor said noting that administrators will compile data from each to determine which is most effective.

The program also is helping promote the broader goal of more renewable energy usage, Taylor said. SpartanSolar is offering subscriptions that entitle consumers to a share of the energy produced by the solar array. The electric co-ops that own SpartanSolar will continue to deliver energy and subscribers receive credits on their bills.