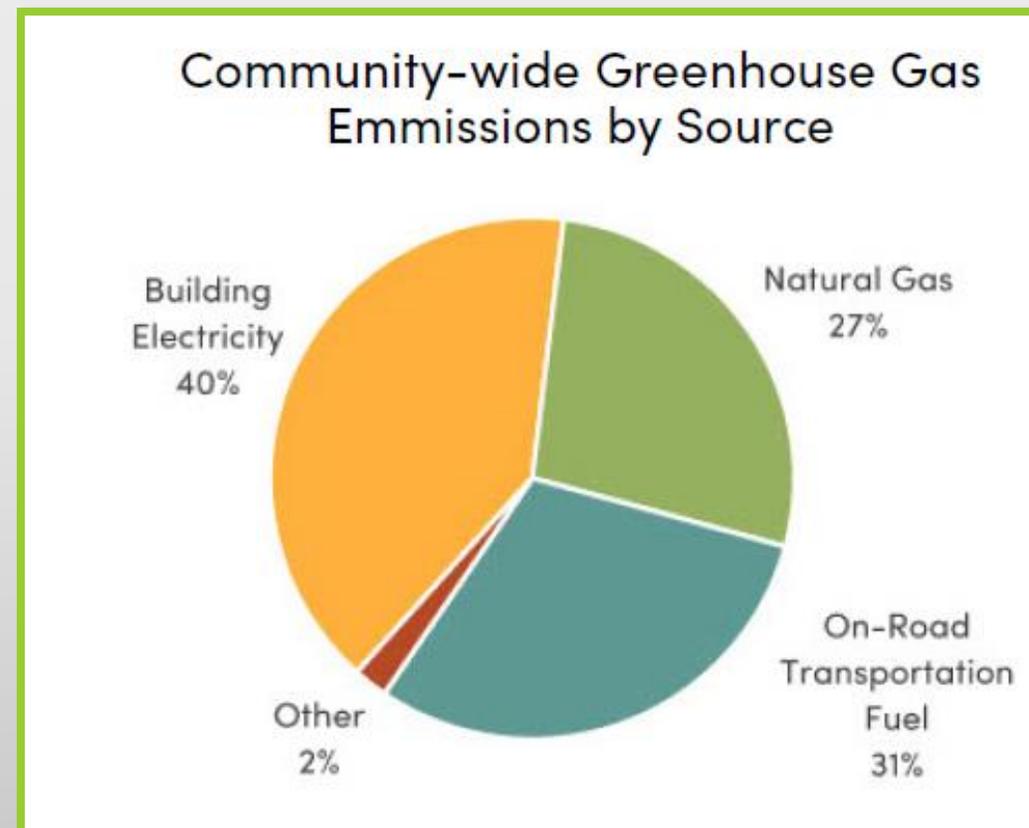


ANN ARBOR'S SUSTAINABLE ENERGY UTILITY

100% Clean, Reliable, Locally Built, Community-Owned Power

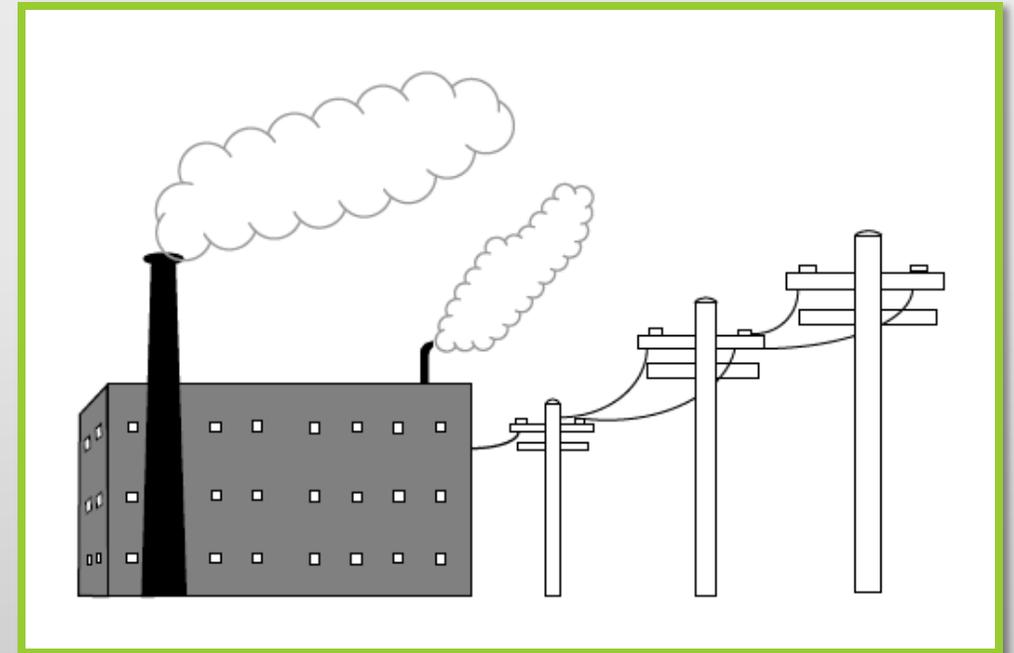
Emissions by Source

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



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.
 - Continue the relationship we have.



WHAT IF...

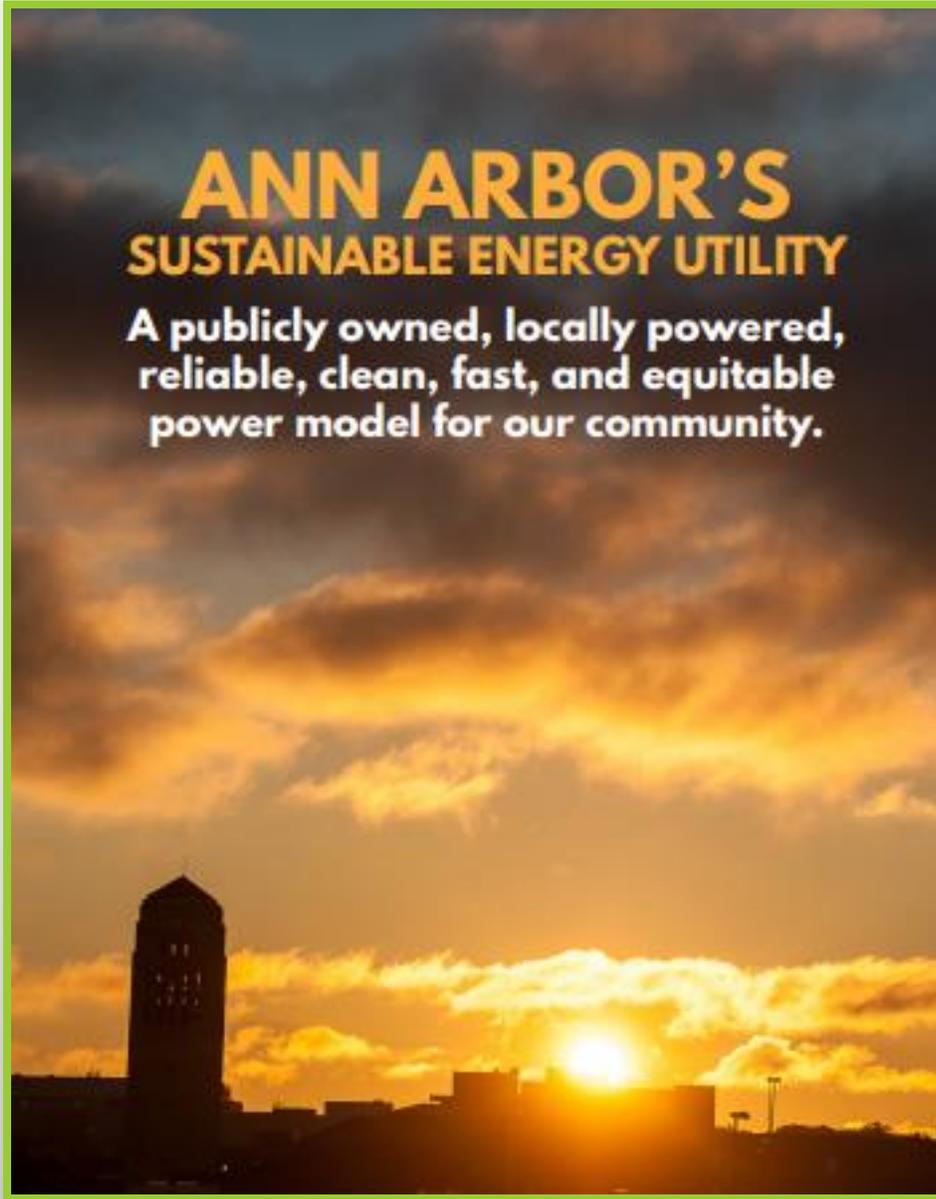
We created:

- A community owned energy utility that provides electricity from local solar and battery storage systems installed on homes and businesses throughout the City
- A community-owned utility that provides 100% clean, reliable, locally built, and affordable electricity; built by the community, for the community.
- A utility that gives residents a choice for where they procure their energy.
- A parallel utility that did NOT duplicate the traditional grid, with all its vulnerabilities.



ANN ARBOR'S SUSTAINABLE ENERGY UTILITY

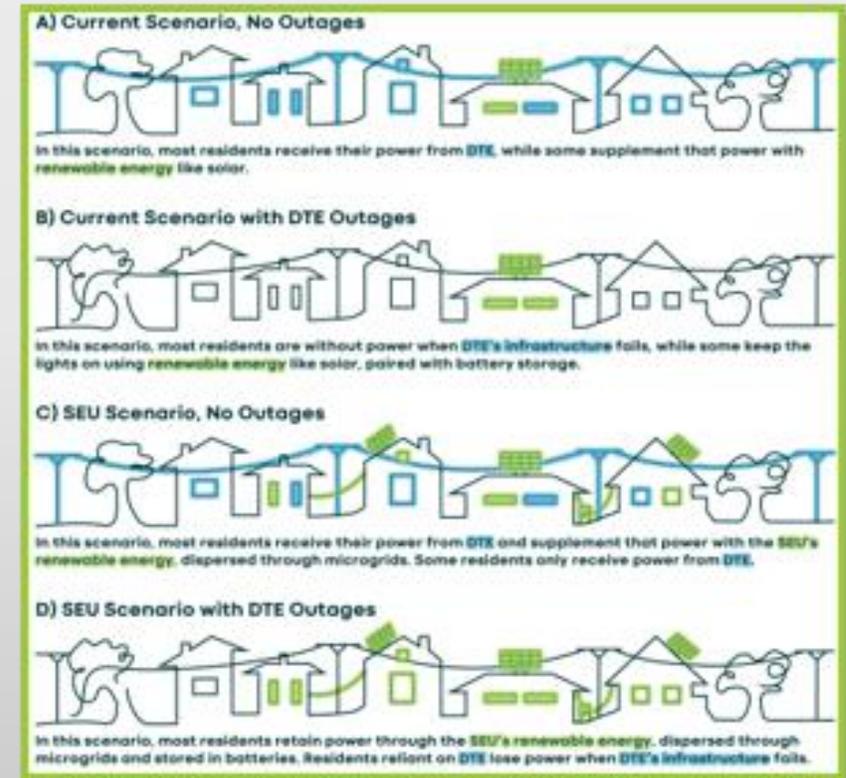
**A publicly owned, locally powered,
reliable, clean, fast, and equitable
power model for our community.**



A SUSTAINABLE ENERGY UTILITY (SEU)

What is an SEU?

- The Ann Arbor SEU is a community owned energy utility that provides electricity from local solar and battery storage systems installed on homes and businesses throughout the City.
- It invests in energy efficiency and electrification of our homes and businesses
- Prioritizes at-risk and underserved communities
- Focuses on reliability and resilience



What services would an SEU offer?

- Solar and energy storage to improve reliability.
- Robust energy waste reduction programs and rebates that improve indoor comfort, health, and safety, all while saving money.
- On-bill financing to help lower the costs and increase payment flexibility.
- Microgrids between neighboring households, to share solar and storage.
- Support for beneficial electrification to support cleaner and safer homes and businesses.
- Community solar programs that allow residents to benefit from solar installed at community sites.



Why an SEU?

An SEU focuses on locally generated, community-owned power. It would:

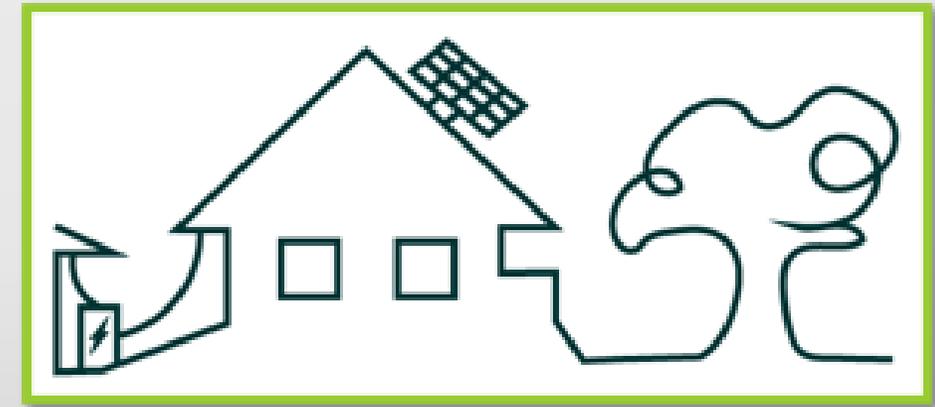
- Invest immediately in local clean energy right here in our community.
- Help more Ann Arborites access the benefits of clean energy and receive energy waste reduction services.
- Focus on increasing the reliability and resilience of our energy system.
- Advance our community's commitment to climate and equity.



HOW A SUSTAINABLE ENERGY UTILITY COULD WORK

Example: 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.
- Resident receives two electric bills, one for usage from DTE and one for usage from the SEU.



Scenario 1: SEU Owned Solar

Example: SEU without On-Site Solar

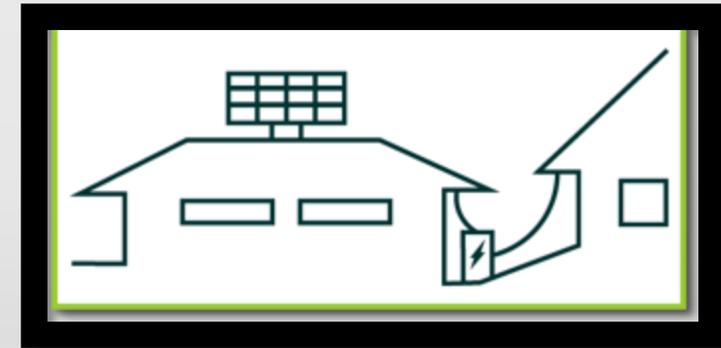
- All the same benefits as Scenario 1; difference is resident is not hosting SEU solar on roof.
- SEU assists in electrification and efficiency improvements. Resident has option to finance upgrades with on-bill financing.
- Once micro and nano grids become available, resident receives power from excess energy generated by neighbors or the SEU's battery system.
- Resident receives two electric 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 OR put onto the SEU battery system.
- Owner receives two bills, one from DTE and one from the SEU.



Scenario 3: Homeowner/Business who owns their own solar

Example: Renters

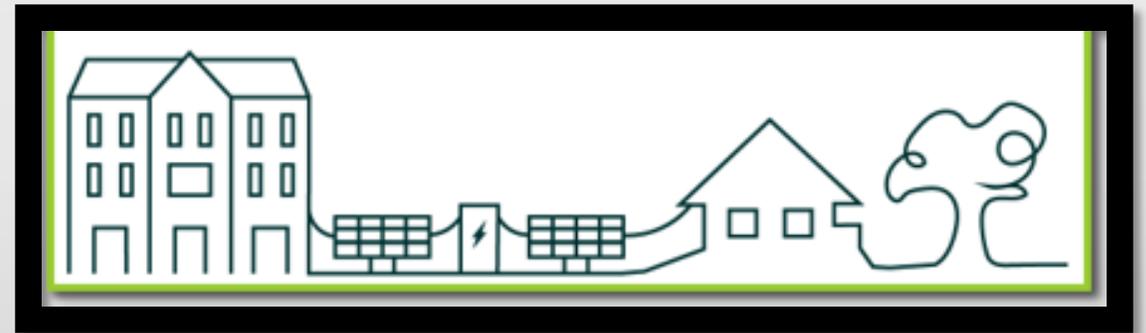
- Enrollment and programs are done in coordination with landlord
- Renters are eligible for all applicable SEU programs
- Green rental leases and on-bill financing enable the improvements to stay with the building, the financing to be spread over a longer period of time, and the benefits to be realized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



Scenario 4: Renters and Multi-Family Units

Example: Community Solar

- Larger solar installations, such as carports, school rooftops, or ground mounts, host solar for multiple buildings in small community solar microgrids
- Subscribers pay per kWh of usage from SEU.



Scenario 5: Community Solar

Next Steps

- More details available at www.a2gov.org/a2seu
- Currently registering public interest in an SEU https://www.opentownhall.com/portals/116/Issue_11807
- Have questions, send them to sustainability@a2gov.org

Ann Arbor's Sustainable Energy Utility

Clean, reliable, locally built, and affordable electricity: built by the community, for the community

www.a2gov.org/a2seu