

<p>Michigan Community <b>ACTION</b> <i>Helping member agencies change lives</i></p>	<p>Michigan Community Action 2173 Commons Pwky Okemos, MI 48864</p> <p>p: 517.321.7500 f: 517.321.7504 michigancommunityaction.org <b>November 2015</b></p>
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### ISSUE BRIEF: Energy Efficiency

**Energy efficiency reduces energy use overall**, helping decrease everyone's utility bills. Low and fixed income households spend a greater proportion of their income on energy costs than do higher-income families. While four percent of the average U.S. household's income goes toward utility bills, low-income households spend 17 to more than 50 percent of their income on utilities.

Efficiency investments cost much less than building new power plants. For every \$1 spent on energy efficiency, customers will save nearly \$4 in avoided energy costs. The current value of energy efficiency programs in Michigan is roughly \$65 million per year saved.<sup>1</sup> Doubling the amount of energy efficiency in Michigan would result in benefits increasing to \$114 million per year.<sup>2</sup>

The U.S. Environmental Protection Agency's (EPA) proposed **Clean Power Plan** embraces energy efficiency, reducing carbon pollution from power plants, as well as advancing clean energy sources like wind and solar. The Clean Power Plan will gradually transition our electricity system to cleaner sources of power over the next 15 years, which will lead to lower electricity costs, healthier homes and buildings, increased employment and a better electricity grid with much greater reliability. The plan will lessen the dependence on fossil fuels, to the benefit of all customers.

Power companies and their regulators have the opportunity and the responsibility to make energy efficiency happen. Besides cutting energy costs for households and businesses, energy efficiency has many other non-energy benefits, such as improved health for residents, more economic development for communities and greater financial savings for utilities, which can be passed on to consumers. A shift to clean energy offers a chance to prevent the worst impacts of climate change, while lessening the toll that fossil fuels are currently wreaking on some of our most vulnerable communities.

### Community Action Agencies' Role

To help close the energy affordability gap, Michigan's Community Action Agencies are leading providers of services that help low-income households become more energy efficient. MCA's network of 29 Community Agency Agencies (CAAs) offer programs include energy efficiency measures and energy use education to help low-income households permanently reduce energy bills and move toward self-sufficiency.

### Funding

Funding for energy programs is provided by Department of Licensing and Regulatory Affairs, Michigan Community Service Commission and participating energy providers.

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<sup>1</sup> National Resources Defense Council (NRDC)

<sup>2</sup> NRDC