

What did the 100% Renewable Energy Options Analysis look at?

Both energy procurement options and utility structures to achieve **100% renewable electricity** by the year 2030.

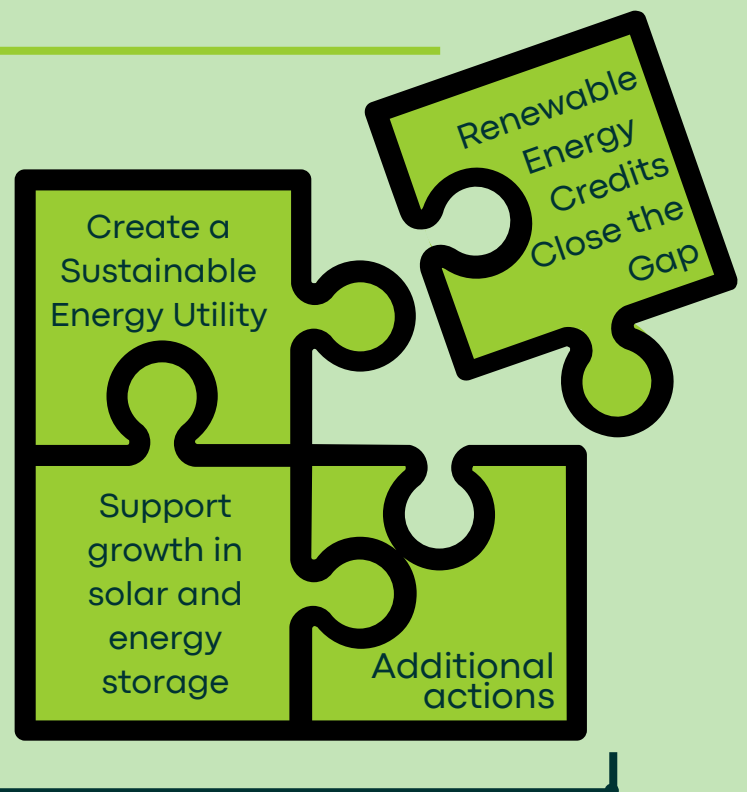
The analysis assessed reliability of renewable power supply but **did not look at the costs** to improve distribution system/delivery reliability – that’s a different kind of assessment.

What were the results?

The City will have to take action to meet its **100% renewable goal** by 2030 (AKA, continuing as-is won’t get us there).

Combining multiple energy options **is the strongest way** to meet the City’s zero carbon goal consistent with the Energy Criteria and Principles.

All utility structures could be leveraged to achieve 100% renewable energy in the long-term, but having an operational Municipal Electric Utility (MEU) is **not feasible** by 2030.



Because launch of an MEU is not assured and would likely take many years if it were pursued, the Consultants recommend the City immediately pursue an SEU and renewable energy credits from utility-scale sources to heighten assurance of meeting its 2030 goals.

Is this what the City of Ann Arbor is going to do?

This is simply the recommendation from the consultants who made the report!

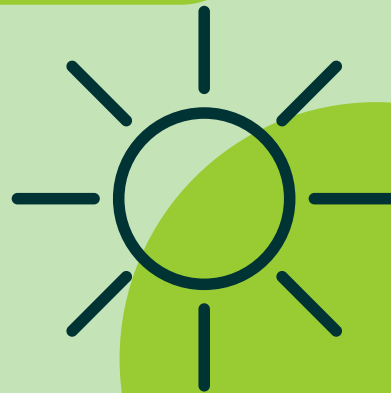
According to the analysis, what would this structure look like?

Deploying as much behind the meter solar and storage as possible, through existing City programs as well as through the creation of a supplemental Sustainable Energy Utility (SEU) is **the best pathway to advance City goals** related to resilience, local generation, and cost.

Phase 1 would be the deployment of solar panels and batteries throughout the community.

A solar-focused SEU would likely lead to **cheaper rates than what residents currently pay to DTE**. As such, the consultants recommend Ann Arbor continue to develop the SEU Phase 1 concept.

Learn more about SEU in Ann Arbor:



In this structure, the City will also need to purchase Renewable Energy Certificates (RECs) with attention to the quality of those RECs in order to meet its 2030 goal.

RECs would be a **transitional strategy**, dependence on which should decline over time.

Purchasing a REC means purchasing a certain amount of verifiably green, renewable energy from a source for delivery to the transmission grid to make up for the non-renewable generation provided to the city by its electricity provider.

What did this analysis say about municipalization?

Preliminary scenarios showed widely differing estimates of possible costs for acquiring DTE's assets as part of a municipalization initiative.



Only the low value scenario would result in MEU costs competitive with DTE. The high- and low-value scenarios are **not firm bookends for acquisition** and construction costs; they simply show the results of applying two valuation methodologies that courts might mandate. Actual costs could come in anywhere between or beyond them, subject to court orders and negotiations between parties.

The scenarios **do not include cost of improving reliability** or growing capacity of the system – both of which will add substantial cost that we cannot reliably estimate with the information we have now. These added costs reduce the already small likelihood that an MEU could be cost competitive with an SEU or even DTE within the 20-year term of study.

The high and low value scenarios for municipalization cost include **only the cost of acquiring DTE's distribution assets "as is"** and building substations and transmission assets that the City would not likely acquire from DTE.

The City will need a Phase 2 Feasibility Study to characterize all costs of municipalization, including potential insight into acceptable valuation methodology, and an additional scope of work to estimate costs of improving reliability and increasing capacity.

