



**Lansing Board of Water & Light**



# **SUSTAINABILITY REPORT**

**Fiscal Year 2023**

# LANSING BOARD OF WATER & LIGHT SUSTAINABILITY REPORT FISCAL YEAR 2023

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LansingBWL



● [lbwl.com](http://lbwl.com)  
● 517-702-6006

# message

FROM THE

## GENERAL MANAGER



Welcome to our second annual Corporate Sustainability Report! This past year has brought significant opportunities for growth, and we are making great strides toward sustainability and being the "Utility of Today, Transforming Tomorrow."

During Fiscal Year 2023, the Lansing Board of Water & Light (BWL) on boarded over 100 new employees and welcomed opportunities for new technology through a historic request for 475 MW of diversified power. We began the process of decommissioning our coal-fired Erickson Power Station, continued to invest in the integrity of our existing

facilities through planned maintenance of our infrastructure, and made deliberate steps toward the future of BWL by accepting proposals to support our clean energy goals and meet future regional load growth.

Our staff, retirees and the people we serve here in the mid-Michigan region play an important role in our organization. Learn more about how we've listened to feedback with new policies, streamlined processes and invested in our workforce this past year which highlights corporate sustainability in action.



*Richard R. Paffley*  
BWL General Manager

# ABOUT THIS REPORT

Utilities across the nation are facing great challenges including aging infrastructure, effects of climate changes, population growth or loss, and competing resource priorities within the communities they serve. The Lansing Board of Water & Light is meeting these challenges head-on.

BWL's utility services are critical to providing Mid-Michigan with clean, safe water and affordable, reliable electricity. We're committed to being leaders in our community, sustainably leading the way in pollution prevention, economic development and excellent customer service while simultaneously focusing on long-term sustainability and bringing about meaningful change within BWL and our region.

Unless noted otherwise, the information shared within this report is from Fiscal Year 2023 which spans from July 1, 2022 to June 30, 2023.

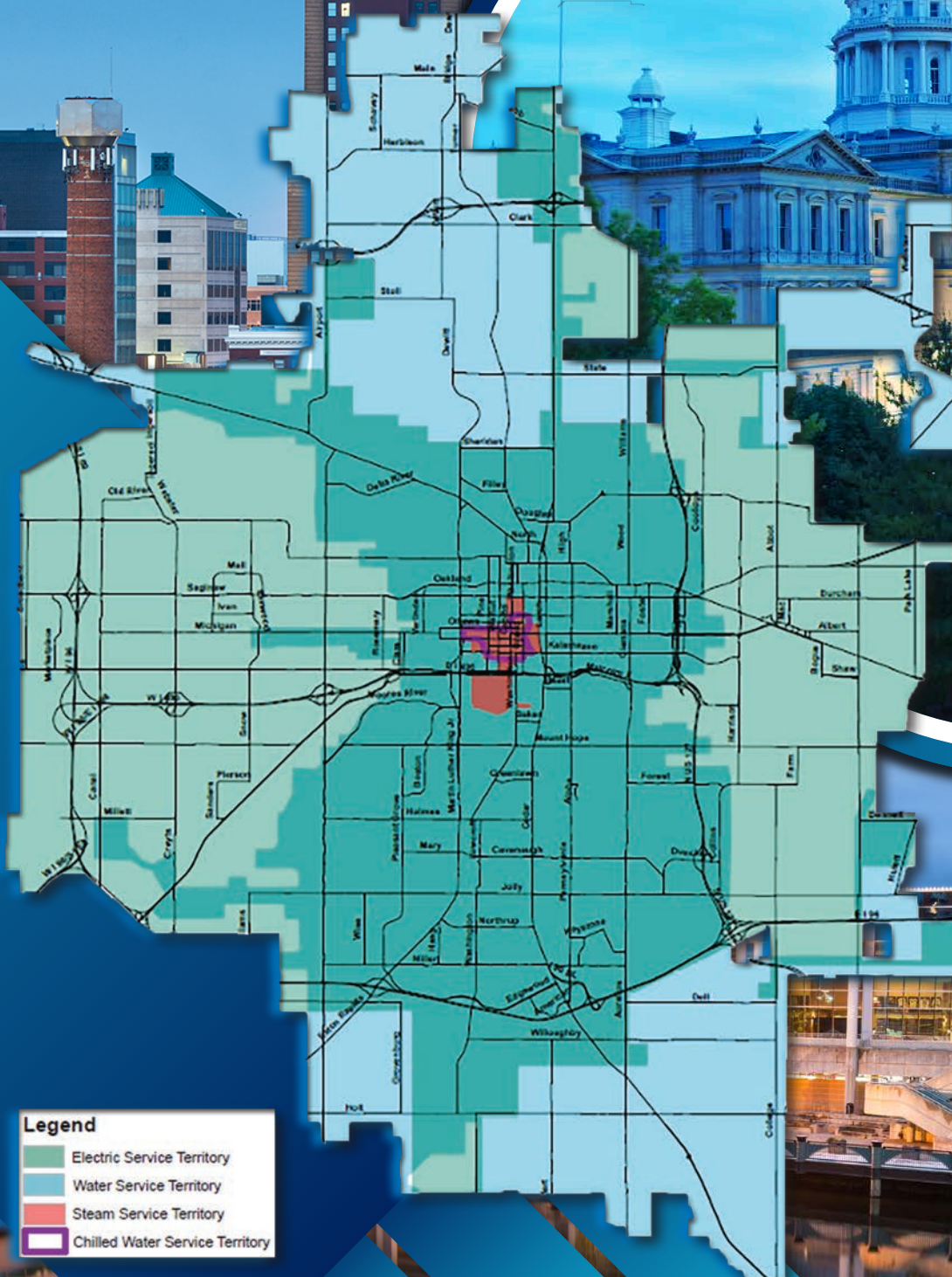
Some data is only available on a calendar year cycle and is documented as such.



## BWL FY23: AT A GLANCE



# BWL SERVICE TERRITORY



**Legend**

- Electric Service Territory
- Water Service Territory
- Steam Service Territory
- Chilled Water Service Territory

# WORKFORCE

The BWL prides itself on the quality of our workers and the diversity represented across our organization. In FY23, BWL celebrated the retirement of 21 valued staff members, hired 117 talented employees and had 20 interns serve across many work areas. We invest a significant amount of time and training into each employee we hire, and set a first-year retention rate goal of 85%. In 2023, BWL exceeded this goal with 93.2%, illustrating that people hired are a great fit, and that BWL is a desirable workplace.

# SOCIAL DEVELOPMENT

## Diversity, Equity and Inclusion



The Diversity, Equity & Inclusion (DEI) Department has made significant progress in supporting BWL's strategic priority to "attract, develop and retain a highly skilled, diverse and culturally intelligent workforce." The goal is to cultivate employee engagement that promotes a positive work environment, professional development and opportunities for career growth, done by partnering with other departments and training opportunities.

To highlight the importance of these initiatives, the department helped integrate DEI components into existing training programs offered by BWL. Most notably, they added mandatory DEI training for all employees, aiming to raise awareness and understanding of diverse cultures among BWL employees and the communities we serve. Employees were also provided with opportunities for continuous learning, including access to articles, resources on relevant DEI topics, and community events sponsored by BWL.

Further, internally, DEI and Human Resources partnered on initiatives to recruit and retain diverse talent, and together worked closely with our Legal Department to revise BWL's anti-discrimination policy to include gender and sexual expression and identity. Externally, they supported the Supply Chain Department to amend procedures to increase diversity across all suppliers.

These initiatives collectively represent BWL's commitment to fostering an inclusive and diverse workplace.

## Safety

BWL's culture is grounded in safety and is maintained and executed by providing employees with proper tools, education and resources to promote and sustain a safe work environment. From FY22 to FY23, safety incidents reported within one week or less increased from 76.5% to 82.7%, increasing our ability to resolve issues in a timely manner.

Over the past fiscal year, BWL streamlined incident reporting, eliminated redundancy in the report process, and created a centralized location for all reported incidents. Safety incidents include nonconformance, hazards, near misses, injuries and illnesses. For FY23, 98.2% of all investigations were completed on time.



## 1st STEP



On May 17, BWL celebrated the graduation of ten students who completed 1st STEP (School to Training and Employment Program). This program allows high school students to spend time before graduation split between classes and real-world experience. Students who complete the program receive a \$2,000 scholarship to use at any Michigan college.



## Internships



In May, 20 students from varying colleges began their 13-week internship in departments across the BWL, including Engineering, Asset Management, Safety and Information Technology.

The BWL Internship Program provides college students an opportunity to develop professional skills and gain experience in their fields of study. Students are paired with a mentor from their department and learn through real projects and work.

BWL's annual investment in 1st STEP and college students reflects our vision and values, including community growth and partnership with the Greater Lansing region to develop a highly skilled, diverse and inclusive workforce.

LANSING  
**BWL**  
CAREERS 



The Lansing Board of Water & Light is a community employer of choice with a small company feel. Employees truly believe in the company mission and excellence in customer service – whether the customer is the general public or coworkers serving in another department. If you or someone you know is interested in a career at BWL, visit [lbwl.com/currentopenings](http://lbwl.com/currentopenings).

# COMMUNITY EVENTS

BWL staff are committed to serving their community as illustrated through thousands of hours of community volunteering annually.

## ADOPT A RIVER

This year's Adopt a River event had another great turnout! Over 200 volunteers helped clean up the river bank, plant perennials and pick up around the Lansing community. Volunteers were given trees and kids could decorate a potted plant for Mother's Day.



## GOLF

BWL IBEW LOCAL 352 charity

We celebrated the 12<sup>th</sup> annual BWL/IBEW Local 352 Golf 4 Charity Outing at Eagle Eye and Hawk Hollow golf courses. The event raised a record \$32,000 donated to Heroes Haven, Boys and Girls Club of Lansing and BWL's Pennies for Power.



## BWL 5K

This was our 13<sup>th</sup> year hosting the BWL Hometown Power 5K, and it was another successful race! We had over 250 participants run and walk, with over 20 volunteers. In total, we raised around \$2,000 for the McLaren Greater Lansing Foundation.



## Silver Bells in the city

BWL celebrated the 38<sup>th</sup> annual Silver Bells in the City, and it was a little "Frozen"! Our float and trucks were decorated with blue and white lights and a sprinkle of Olaf and Sven from the movie. As a presenting sponsor, we were excited to keep the new tradition of the drone light show that filled the night sky with lights and festive figures after the parade.







Another successful spaghetti luncheon was held this year to promote donating to the United Way campaign! From the luncheon, our employees helped raise over \$700, not including the pledges that were made throughout the BWL during the month of November.



BWL's Veterans Day Celebration Breakfast took place on November 9, honoring all BWL veterans who have served our country! We invited two guest speakers, Erna Jablonski and Zaneta Adams, to come share their experiences. BWL takes great pride in remembering and celebrating all who have served.



This year we celebrated 10 years of growth and success at our REO Town Headquarters & Cogeneration Plant. This facility has brought more economic vitality to the REO Town area, and we're happy to say we were a part of it.



BWL held its seventh resource fair in collaboration with over a dozen community partners. The fairs are held twice a year, welcoming communities from the Greater Lansing region. BWL and partners helped participants with food, housing, utility bills and other integral services for the health of our citizens.





Online



Phone



Mail



Dropbox



Drive-thru  
Fee-Free  
Kiosks



Quality Dairy  
Fee-Free  
Kiosks



In-Person

## CUSTOMER SERVICE

BWL's vision includes the commitment to provide carbon-neutral utility products, services and programs that are financially accessible to all customers with exceptional customer service. Customer service expanded accessibility this year by placing customer kiosks starting in November 2022 at convenient Quality Dairy locations. In addition, the customer service lobby was reopened in December 2022, welcoming over 8,000 visitors in six months! In addition to our kiosks and lobby, payments are welcomed online, through mail, by phone and through our 24-hour drop box locations.

### Customer Service by the Numbers



BWL's call center received over 17,000 calls during the fiscal year.

With a goal of responding to calls within 90 seconds or less, our average answer speed was 29 seconds.



With the goal of 5%, our call abandonment rate was 2.7%, a 14.45% improvement from the prior year.

Our customer service representatives scored a very impressive 4.85 out of 5 in customer satisfaction.



# AWARDS & RECOGNITIONS

The BWL strives to be a leader in the utility industry, and we celebrate those who have aided in accomplishments and awards from this past year.



## American Public Power Association (APPA) "Reliable Public Power Provider"

The BWL earned a "Platinum" recognition as a Reliable Public Power Provider from APPA. This RP3 designation, the highest possible, lasts three years and recognizes utilities demonstrating proficiency in four key disciplines: reliability, safety, workforce development and system improvement.



## Central Michigan Public Relations Society of America (CMPRSA) Recognizes BWL in Four Categories

The CMPRSA gave BWL awards of Excellence in the categories of Community Relations on Communicating Rate Strategy, Crisis Communications on Preparing for Rolling Black Outs, Special Publication for their Corporate Sustainability Report and Special Event for Delta Energy Park's Going Commercial.



## Telly Awards

BWL received two Telly Awards in the Local TV General-Utilities category. A gold Telly, the highest achievement, was awarded for the "Simple Thing" commercial that aired in 2022, and a bronze Telly was awarded for a video tour of BWL's Delta Energy Park.



## Customer Service Week Rising Star Award

Congratulations to BWL Customer Service Manager Deanna Sparks for receiving the Expanding Excellence Award (EEA) of Rising Star for Customer Service Week! EEA Rising Star awards salute individuals with an aptitude and a variety of skills and behaviors that indicate a desire to grow, a willingness to go above and the potential for broader responsibilities.



## 2023 Crain's Notable Leaders In Energy

Crain's Notable Leaders recognized BWL CFO Heather Shawa as a standout professional who is developing new strategies to improve environmental sustainability, educating future leaders and developing innovative products and services for utilities and other industries in Michigan and around the globe.



## 2023 Facilities Best Practice Award

The BWL REO Town Cogeneration plant staff was recognized by the Combined Cycle Journal for developing and implementing a comprehensive ladder safety program, "Ladder Last," that ensured both personnel and facility safety.

## CORPORATE & ECONOMIC GROWTH

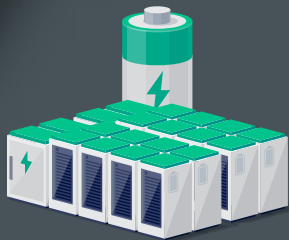
BWL continues to demonstrate fiscal responsibility by meeting or exceeding financial metrics. This includes generating an adequate return on assets to ensure ratepayers aren't deferring costs to future generations and that our infrastructure is maintained to provide exceptional service. In addition, we must ensure adequate liquidity to pay obligations, including a minimum cash reserve and debt service coverage.

During the past fiscal year, BWL continued the high credit rating AA- (S&P) and Aa3 (Moody's). Financial stability is at the core of our business and allows us to continue being innovative by evolving our operations through mitigating business and environmental risks with foresight and agility.

## FUTURE ELECTRIC GENERATION

As demand for electric service increases, we continue to work towards our carbon neutrality goals while fulfilling our mission of providing a safe, reliable and affordable utility experience through public ownership, climate consciousness and innovative strategies. BWL took a historic step forward in October 2022 by releasing a request for proposals (RFP) for capacity and energy resources supplying up to 475 MW capacity.

This request for energy generation, storage, energy efficiency and demand response programming options drew close to 100 innovative responses. After careful consideration, a generation mix was announced, including:



**160 MW  
Battery  
Storage**



**240 MW  
Wind**

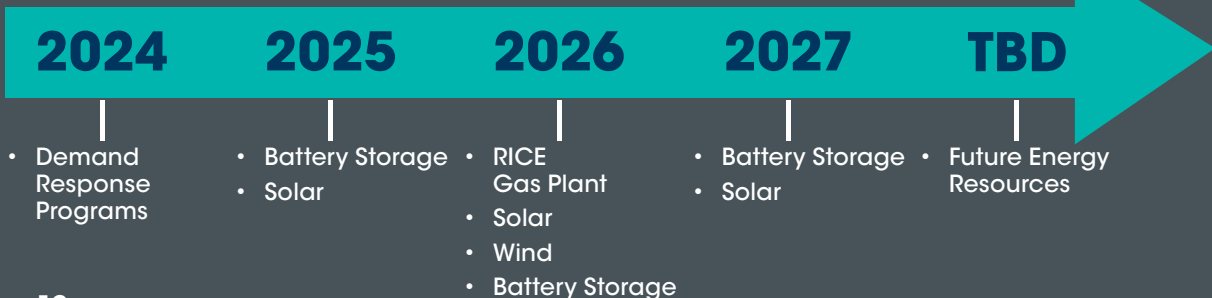


**260 MW  
Solar**  
(65 MW local &  
238 MW from outside  
the region)



**Continued growth  
of energy waste  
reduction, as well  
as expansion into  
demand response  
programs for  
customers**

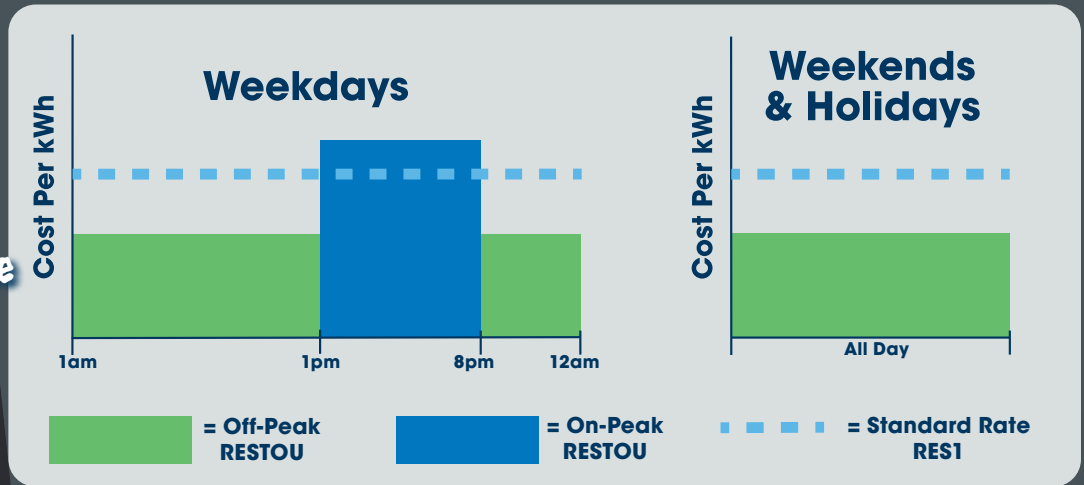
These clean energy sources will be complemented by 110 MW natural gas-fired reciprocating internal combustion engines (RICE) and possible additional future resources depending on future load requirements and regional energy regulations. This ambitious project is BWL's largest development project to date and gives us a secure path to continue to build our road map to carbon neutrality while accommodating future customer and regional growth.



# RATE STRATEGY

Starting November 1, 2022, BWL introduced a new rate schedule, including Off-Peak Savers Residential Electric Service Rate, to any BWL customer of a single-family or multifamily dwelling that contains one meter on the premises. The new offering provides a reduced rate for electric usage outside of peak hours of 1 pm – 8 pm.

The time of use option allows our customers to have greater control over their energy and costs by enrolling in the rate and using high-efficiency kWh appliances such as dishwashers, clothes dryers and electric ovens during off-peak hours.



BWL provides customers with an online cost calculator to estimate the change in rates for household electric items, allowing our customers to have more control over their family's energy usage. Time of use rates are sustainable measures to increase energy consumption when demand is less. Avoiding peak demand periods can assist in reducing air emissions and increase public health.

# TECHNOLOGY

## Spotlight on Smart Meters

BWL's smart meter team doubled during FY23 to support the operations and field services teams as smart meter installation moves from the project phase to creating a BWL Department. As staffing aligns to meet business needs, operational procedures have been developed for consistent, reliable and safe services.

In December 2022, BWL completed installation of all 95,000 electric meters to smart meters. At the close of the fiscal year, there were just under 200 of approximately 55,000 meters remaining for water services.

Our smart meter team exemplifies BWL's commitment to sustainability through technological advances that allow remote access to meter data. The smart meters better assist customers in conserving energy in their businesses and homes through easy access to data through the portal, allowing for on-demand service requests and saving time and resources from on-site customer meter reads.



# ELECTRIC & WATER RELIABILITY – SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)



The BWL is dedicated to providing reliable electric service that our customers have come to expect, and it's why BWL is near the top of Michigan's most reliable electric utilities. SAIDI measures electric reliability by measuring the minutes the average customer is without electricity over a rolling 12-month period. This past fiscal year, BWL measured 77.03 minutes of outage for the average customer.

BWL also measures water reliability using the service interruption index to continue service at a level our customers are accustomed to experiencing. Over the recent fiscal year, customers experienced a system average of 6.23 minutes of unscheduled interruption time.



## EMERGENCY MANAGEMENT & BUSINESS CONTINUITY

Our staff is prepared for situations that disrupt business operations because of physical, cyber, man-made or naturally caused events due to preparedness and resiliency-focused training and exercises.



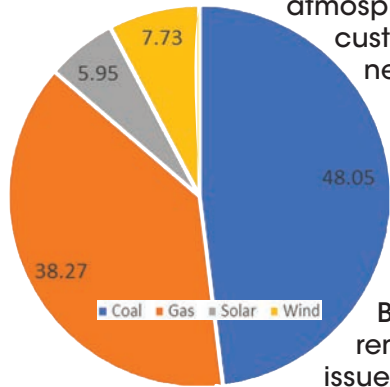
Our Emergency Management Department facilitates exercises based on real-world incidents followed by debriefing participants and developing after-action reports with improvement plans. Improvement plans contain corrective actions that are specific, measurable, attainable, realistic/relevant and time-bound. Single points of contact are assigned to each corrective action who are held accountable for their completion.

During the fiscal year, the Emergency Management and Business Continuity team facilitated or participated in over 50 trainings, exercises and simulated events. Education, training and proactive management of crises and emergencies sustain a culture of corporate-wide preparedness and continuously increase the resilience of business processes across the organization.

# CO2 EMISSIONS

Emissions from electricity generation vary by fuel source, type and size of power generation, and the efficiency of power plants. BWL's emissions from our energy-producing sources during the past calendar year were generated from natural gas and coal burning. With the closure of the Erickson Power Station, carbon emission intensity will be significantly reduced as BWL continues on its path to carbon neutrality and these reductions will be reflected in future reporting.

For calendar year 2022, the emissions factor for electric customers was 1,474.2 CO2 lb/MWh. An emissions factor is an air quality measurement that quantifies carbon dioxide released into the atmosphere due to electricity generation. As BWL's renewable portfolio and customer-related carbon neutrality program expands to meet carbon neutrality goals, the emissions factor will be reduced.



Using baseline data from 2005, BWL exceeds the expected progress of reducing carbon emissions from our electric portfolio. With the goal of being carbon neutral by 2040, BWL is on track to reach and exceed one of the key targets in its most recent strategic plan, which is 50% clean energy (energy waste reduction and renewable energy) by 2030. In fact, with the projected resources from the all-source RFP, BWL is projected to generate over 50% of its electric production from renewables by 2030, exceeding targets in the MI Healthy Climate Plan issued by Governor Gretchen Whitmer.

# ERICKSON CLOSURE

The Erickson Power Station, BWL's last coal-fired power plant, was retired on Sunday, November 27, 2022. Erickson began operating in 1973 and could produce 160 megawatts of electricity with a single, coal-fired generator. Erickson Power Station's retirement ends decades of coal burning in BWL's service territory, providing for a cleaner future and alignment with BWL's plan to provide 50 percent clean energy by 2030 and attain carbon neutrality by 2040.

"These coal-fired plants generated power that allowed Lansing's automobile industry to grow and flourish and made the Lansing area a terrific place to live, work and raise a family. Now it's time for the next generation of cleaner energy to power the region's electric vehicle future and beyond", said Dick Peffley, General Manager. "I started my BWL career at Erickson, and the plant has had a great run. We appreciate its service to our community and all the employees that kept it operational throughout the decades."



# WATER QUALITY

The 2022 Annual Water Quality Report was issued in April 2023. The BWL continues to meet or exceed all water quality standards established by the U.S. Environmental Protection Agency (EPA) and the Michigan Department of Environment, Great Lakes, and Energy (EGLE). We're proud to celebrate our safe, reliable water and the talented people who help to produce and distribute it to our nearly 58,000 customers.

During 2022, no violations occurred in the testing for contaminants. Water is tested in the distribution system, water conditioning plant and at our customer's tap.

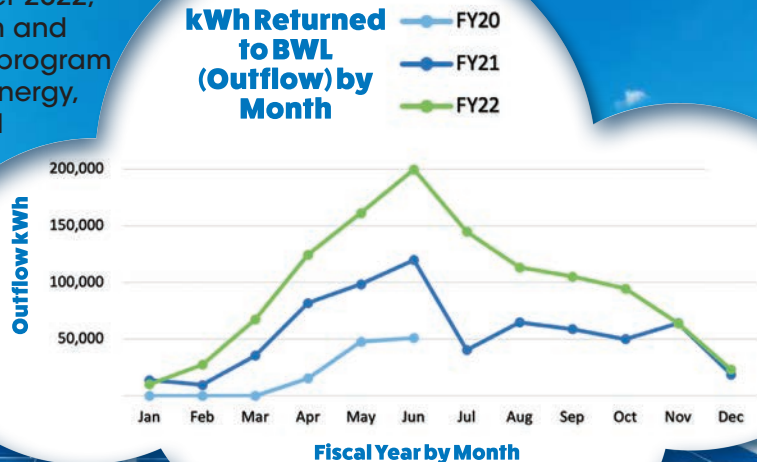
**BWL Water  
Quality Report**



# SOLAR

During Fiscal Year 2023, BWL interconnected 111 customers, bringing the total number of customers with personal solar from 189 to 300. The 111 customers added 1,228 kW of behind-the-meter distributed energy resources to our electric system. Throughout FY23, BWL received over 11,000 MWh from customers enrolled in either net metering or distributed generation, though more was created and consumed on-site by those customers before reaching our grid. In November 2022, BWL closed the net metering program and launched the distributed generation program with a new, variable market rate for energy, relaxed sizing rules for residential and commercial customers, and a more streamlined interconnection process. BWL also began offering an education module for prospective solar buyers.

**kWh Returned to BWL (Outflow) by Month**





# ENERGY WASTE REDUCTION

BWL's strategic plan includes the goal to provide energy solutions that support a sustainable planet. Our community programs advance strategies to meet our goals and the overall mission.

The BWL's Hometown Energy Savers® program provides residential and business electric customers with services and rebates to help lower their energy use and save money. Specifically, our Energy Waste Reduction (EWR) programming assists our customers in saving energy through appliance recycling programs, assistance in purchasing high-energy products through rebates and programming geared to help income-qualified customers. Our comprehensive EWR programs are evaluated on a calendar year basis, and for 2022, BWL assisted customers in increasing kWh savings by 14% from the previous year.



Programs	2021 kWh Saved	2022 kWh Saved
<b>Low Income</b>	<b>432,174</b>	<b>462,247</b>
<b>Residential</b>	<b>2,918,408</b>	<b>5,160,834</b>
<b>Business</b>	<b>16,161,557</b>	<b>18,237,832</b>
<b>Total Portfolio</b>	<b>20,931,646</b>	<b>23,860,913</b>

## Hometown Help

The Hometown Help program assists eligible households with improvements to the efficiency and comfort of their homes. At no cost to the customer, BWL energy experts provide an in-home energy analysis, install high-efficiency products, and provides information on ways to be more energy efficient.

BWL's Hometown Help program helps keep our customers safe and cool during Michigan's hot summers. Recently the program replaced a customer's inefficient room air conditioner and received the following note:

*"Thank you very much for providing me with the AC unit. Your timing couldn't have been better with this heat wave and high humidity. It works fantastic. I couldn't say enough good things about your program. It makes up for the rising costs of energy. Have a good day." - Carolyn S.*





## BWL Office Waste Diversion Rates

The BWL is a large employer with many facilities in Mid-Michigan. As part of our commitment to be better stewards of our environment and in partnership with other local businesses, we offer many opportunities for staff to divert waste to the landfill through our recycling and composting programs.

### Over the Past Fiscal Year our Facilities Recycled



**95,000 lbs Composted Material**

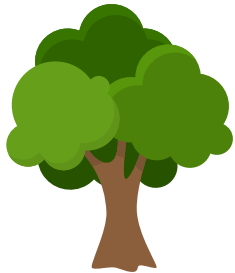


**23,973 lbs Shredded Paper**

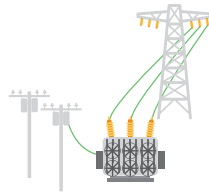


**112,029 lbs Cardboard, Newspaper, Mixed Paper, Plastic, Glass and Metal**

### Which Saved



**850 Trees**



**205,000 kWh Electricity**



**350,000 Gallons Water**



**3,000 lbs Air Pollution**



**167 Cubic Yards Landfill Space**

### Need More Info?

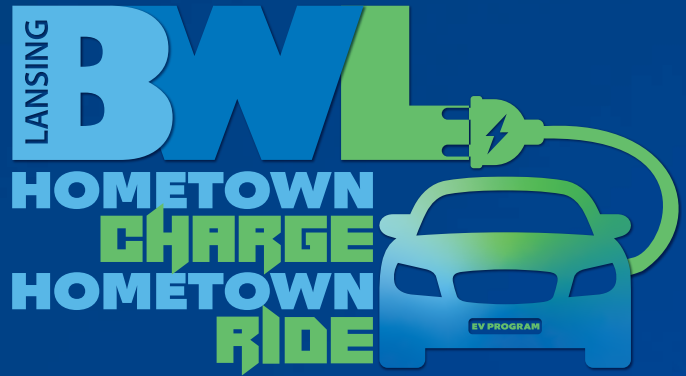
Contact Claire Drolshagen-Puck at [claire.drolshagen-puck@lbwl.com](mailto:claire.drolshagen-puck@lbwl.com)

# ELECTRIC VEHICLES

BWL is progressing towards carbon neutrality by expanding accessibility and providing education on electric vehicles, which have been demonstrated to be less carbon-intensive than the average gasoline vehicle.

One way BWL is accelerating the transition to electric vehicles is by expanding its electric vehicle programs. The newly re-branded Hometown Charge Hometown Ride program offers two different rebate levels for residential customers on the installation of electric vehicle charging stations, both of which include aligning electric vehicle charging with time of use rates and promoting charging during off-peak hours when electric demand is lower. BWL also recently transitioned the Hometown Charge Hometown Ride commercial electric vehicle rebate program from a pilot to a fully funded program, making EV charging more accessible by offering installation rebates to local businesses and for public use.

In May 2023, BWL made its first appearance at the Michigan EV Technology Showcase and Ride & Drive event held at the Michigan State Capitol by Michigan Clean Fuels. The event offered Michigan legislators and their staff the opportunity to learn more about electric vehicles, electric vehicle charging and different program options available in Michigan. A variety of Michigan-based electric vehicle partners, including BWL, participated. BWL provided information on the Hometown Charge Hometown Ride programs as well as showcased the all-electric Chevrolet Bolt, which is one of several electric vehicles in the company's fleet.





LANSING **BWL**

Hometown People. Hometown Power.

[www.lbwl.com](http://www.lbwl.com)