STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter on the Commission's own motion, to establish the Michigan Renewables Energy Program.	)))	Case No. U-12915

At the May 16, 2002 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Laura Chappelle, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

OPINION AND ORDER

On April 17, 2001, the Commission issued an order initiating a proceeding and requesting comments concerning issues related to the implementation of Section 10r(6) of 2000 PA 141 (the Act), MCL 460.10r(6) [Section 10r(6)], which requires the Commission to establish a Michigan renewables energy program (MREP). The order provided interested parties an opportunity to submit comments and reply comments on the comprehensive proposal submitted by the Commission Staff (Staff report). In particular, the Commission requested comments on (1) the design and implementation of the proposed program, and (2) the appropriate performance measurement of the MREP.

On May 17, 2001, the Commission received comments from the following: Fishbeck, Thompson, Carr & Huber, Inc., the Ecology Center, the Small Business Association of Michigan (SBAM), the City of Ann Arbor, Oakland Community College, Michigan Technological University, Upland Hills Ecological Awareness Center, The Detroit Edison Company (Detroit Edison),

Exelon Energy Company, the Michigan Community Action Agency Association (MCAAA), the Michigan Environmental Council, Harding Energy, Inc., Michigan Electric & Gas Association (MEGA), Bay Energy Services, Inc., American Council for an Energy Efficient Economy (ACEEE), the Michigan Department of Consumer and Industry Services' Energy Office (CIS Energy Office), the Great Lakes Renewable Energy Association (Great Lakes), Consumers Energy Company (Consumers), the Sierra Club Mackinac Chapter (Sierra Club), Bekaert ECD Solar Systems, LLC, the Michigan Independent Power Producers Association (MIPPA), Energy Conversion Devices, Inc., Kenneth Saulter, the Michigan Electric Cooperative Association (MECA), Integrated Waste Services Association, Bruce Billedeaux, First Power, L.L.C., Bay Windpower, LLC, Lansing Board of Water and Light, Thomas Knoll, and Michigan Wind Energy.

On May 31, 2001, the Commission received reply comments from the following: the Sierra Club, the MCAAA, Consumers, Great Lakes, MEGA, Detroit Edison, and Bay Windpower.

Legal Framework

MCL 460.10r(6) provides:

> The commission shall establish the Michigan renewables energy program. The program shall be designed to inform customers in this state of the availability and value of using renewable energy generation and the potential of reduced pollution. The program shall also be designed to promote the use of existing renewable energy sources and encourage the development of new facilities.

MCL 460.10g(1)(f) provides:

> "Renewable energy source" means energy generated by solar, wind, geo-thermal, biomass, including waste-to-energy and landfill gas, or hydroelectric."

Definition of Renewable Energy

At least one commenter suggests that the Commission must issue a specific and detailed definition of what constitutes renewable energy. As noted above, the Legislature provided a

definition of renewable energy source in MCL 460.10g(1)(f). Thus, projects to be included in the MREP are those that generate electric power using solar, wind, geothermal, biomass, including waste-to-energy and landfill gas, or hydroelectric technologies. Contrary to the proposal of First Power, this definition does not include cogeneration that is produced as a byproduct of fossil-fueled generation. Proposals to expand the definition of renewable energy sources for purposes of the MREP must be addressed to the Legislature.

Program Design and Implementation

1. Coordination

In its report, the Staff outlines eleven renewable energy projects in Michigan that are connected to the utility grid. It states that many more projects exist, but are not listed within the report, such as solar homes, off-grid small wind generators, etc. It suggests that drawing from experience with the profiled projects and others may assist in the further development of renewable energy sources in Michigan. The Staff recommends that the Commission design and implement the MREP using existing or new funding mechanisms and education programs and monitoring successful projects.

The Staff report further recommends that program activities for the MREP should be coordinated with other organizations with like interests and goals. For example, the Staff suggests including programs of the CIS Energy Office, which is currently involved in several renewable energy projects.

Coordination of efforts with other state and federal agencies, as well as certain non-profit groups, is supported by the vast majority of commenters. Further, the CIS Energy Office receives very favorable assessments from many commenters, with some suggesting that the CIS Energy Office should be delegated the task of creating and managing the MREP.

The Commission finds that the Staff should work cooperatively with appropriate state and federal agencies, including without limitation, the CIS Energy Office, the Michigan Economic Development Corporation, and the United States Department of Energy, and renewable energy resource organizations to develop a comprehensive MREP. The program may also include voluntary use of resources from other groups or entities, whether non-profit or for profit. Those cooperative and coordination efforts should maximize efficiency and minimize any duplication.

The Commission further finds that the Staff should initiate an MREP collaborative that will assume policy analysis and recommendation functions. From time to time, the Commission may refer specific issues to the collaborative, beginning with those issues referred in this order. The collaborative may report to the Commission concerning the issues referred to it, and may bring other issues before the Commission. The collaborative may also recommend to the Commission legislative initiatives that it believes will advance the Commission's ability to fulfill the statutory mandate of Section 10r(6). The Staff shall structure the membership of the collaborative so as to include the interests of all affected persons.

2. Education

The statute provides that the renewables energy program should inform customers of the availability and value of using renewable energy generation and the potential of reduced pollution. Further, the statute states that the program should be designed to promote the use of existing renewable energy sources and the creation of additional sources of renewable energy. The Commission finds that appropriate education programs will assist in meeting these goals.

The Staff report proposes that the program should inform customers of the availability and value of using renewable energy resources, and the potential of reduced pollution, through proposed and existing education programs and other listed resources. It further proposes that

customer education be carried out by combining it with the statewide education program concerning customer choice (the CHOICE program).[1] Additionally, it proposes creation of a website to provide access to information concerning the availability and benefits of renewable energy technology, with appropriate links to other government and industry sites for further information. Finally, the Staff report proposes creation and use of an automated electronic mailing list service, which would include federal and state agencies, organizations, and individuals interested in renewable energy issues. The list would serve as a resource to communicate, provide outreach, and share information concerning renewable energy.

Those submitting comments universally approve the website proposal and most favor combining customer education efforts for renewable energy with the CHOICE program as an efficient method of educating customers. However, some provide cautionary comments on the latter proposal. For example, MECA states that including educational materials on renewable energy sources in the statewide CHOICE education program might impermissibly affect the settlement reached in Case No. U-12133. Detroit Edison supports inclusion of renewable energy education within the CHOICE education program, but notes that it is not included in the current budget. MEGA suggests that CHOICE is confusing enough to customers without adding information concerning renewable energy. The MIPPA cautions that any renewable energy education effort should not be used as a marketing tool, but rather should be carefully crafted to provide trustworthy, neutral information.

Mr. Saulter argues that an advertising campaign can become a drain on scarce funding sources. He suggests that the MREP investigate businesses that might be induced to assist in the education efforts. For example, he states that a home improvement retail store might be willing to

[1]The Electric Choice program is more fully set out in the Commission's orders in Case No. U-12133.

provide information concerning renewable energy products that it sells. He further states that manufacturers, distributors, retailers, installers, financial lenders, and trainers also might be persuaded to provide education to the public on renewable energy.

First Power suggests that the education portion of the program focus on middle school age children, with a funding allocation of between $10,000 and $25,000 per school. It further suggests that the Commission require all utilities to label sources of power on billings to customers.

Detroit Edison states that it currently has educational materials available for use in kindergarten through twelfth grade classrooms. It states its willingness for those materials to be built upon or coordinated with a state-sponsored education program.

The SBAM argues that the statewide renewable energy education program should be referred to educational institutions in Michigan that have demonstrated expertise and a history of course offerings in renewable energy. It suggests that the Commission should require that the designated institutions create partnerships with industry and non-profit participants.

The Commission finds that the Staff's report provides a good foundation for implementing the MREP, and specifically approves the Staff's proposal to create a website that will provide convenient access to information concerning renewable energy resources and the electronic mail list service, which will encourage the exchange of information, problem solving, and other activities designed to promote the use of renewable energy.

Further, the Commission finds that the Staff's proposal to include the renewable energy information in the statewide CHOICE education program may be appropriate as an efficient method to inform the public concerning their options. In the Commission's view, inclusion of renewable energy information is consistent with the goals of the CHOICE program. In deciding who will provide their power, customers need to be informed about the possibilities and the

consequences of their options so that they may make informed choices. The Commission is not persuaded that including information concerning the availability and advisability of using renewable energy sources as a part of the CHOICE program would violate the settlement agreement in Case No. U-12133. MECA does not point to any particular provision of that agreement that it feels would be violated and the Commission is not aware of any that would prohibit including the information. Moreover, the approved CHOICE program provides that it will inform customers of self-service or distributed generation options. See, April 2001 Settlement ¶ 2, Case No. U-12133. That settlement also provides for educational tools to include a "how to shop guide" with criteria to consider. Settlement, p. 13. Accordingly, renewable energy should be treated as one criterion for customers to consider in such a guide.

The Commission further finds the suggestion that manufacturers, retailers, installers, and others that deal with renewable energy products might be willing to participate in the education efforts is worth exploring. The collaborative created by this order may make recommendations to the Commission in this connection. However, care must be taken to ensure that information provided by these interested parties is fair, accurate, and reasonable for products as they might be used in Michigan.

The Commission commends Detroit Edison for its willingness to provide its already created educational materials for use in Michigan classrooms. The availability of and the method to obtain those materials should be included on the proposed website and made available to educators throughout the state.

The Commission further finds that the disclosure requirements adopted by the Commission for electric suppliers should be considered a part of the MREP. In the December 20, 2001 order in Case No. U-12487, the Commission provided a format for use by electric suppliers to comply with

MCL 460.10r(3) and (4), which require disclosure of a supplier's fuel mix, including renewables, for the production of electricity. Those sections also require that the supplier provide information concerning the region's average fuel supply to provide a point of comparison for customers. The Commission finds that appropriate disclosures as required by the Case No. U-12487 order will increase awareness of renewable energy availability, and provide customers with the opportunity to make informed energy choices.

Implementing certain commenters' education proposals, given current funding levels, is not practicable at this time. For example, the Commission finds that the suggestion by First Power for allocating up to $25,000 per middle school in the state for educational efforts is one of those proposals for which lack of funding prohibits adoption at this time. The same finding is warranted with respect to the suggestion that a renewable energy center be constructed. Although these ideas are laudable, the parties do not identify the likely funding source for either of them. The Commission therefore declines to adopt them at this time.

The Commission rejects, as outside the scope of the statutory mandate, suggestions that an education program include training, certification, and licensing components aimed at sellers and installers of renewable energy products. Further, the Commission finds that an educated public and a growing market for renewable energy applications may bring about enough demand that educational institutions will find it beneficial to design curriculum for renewable energy, without need for government subsidy.

3. Funding

a. Low-Income and Energy Efficiency Fund

One of the limiting issues surrounding the creation of a renewable energy program is identifying funding for its activities. As noted earlier, the statute that directs the Commission to

establish the program does not provide a mechanism for creating a revenue stream to fund projects. The commenting parties made many suggestions regarding the desirability of providing funds to enable new renewable energy projects to become established as well as for educational and promotional activities.

The Staff report suggests that the Commission might explore the use of the low-income and energy efficiency (LI/EE) fund created by MCL 460.10d(6). The commenting parties provide a variety of responses to this suggestion. One commenter suggests setting aside 25% of the LI/EE fund for the MREP. Others suggest earmarking 5% or 10% for that purpose. Still others object to any use of the fund for renewable energy project purposes. Several questioned whether any portion of the fund could lawfully be used to advance renewable energy, in light of the specific statutory prescription for its use. The ACEEE argues that the LI/EE fund is already overburdened for the amount that is likely to be available. Thus, it argues, designating this fund for use by renewable energy projects might create a false hope for those projects. Moreover, the ACEEE argues, legal challenges concerning using this fund for renewable energy projects might end up significantly delaying any funded projects. The ACEEE states that the MREP should obtain new funding that is specifically designed for that purpose.

The Commission declines to set aside a particular percentage of the LI/EE fund for use by renewable energy projects at this time. However, as reflected in the Commission's Request for Pre-Proposals for Energy Efficiency Grants (RFP-P), issued March 8, 2002, renewable energy projects may submit applications for those funds, if they fit within the listed criteria. Indeed, the RFP-P indicates that preference will be given to projects that, among other things, "advance the development of emerging technologies, e.g. fuel cells, and renewable energy, e.g. wind and solar

energy. . .." Id; § I-A(i). The Commission received more than 110 pre-proposals and many of these were designated as renewable energy projects.

b. Systems Benefit Charge

The Staff proposes that the Commission might impose a systems benefit charge across all electrical usage. The suggestion sparked a variety of responses from commenters, some positive, some doubtful, and some negative. In particular, the utilities questioned the ability of the Commission to impose such a charge in light of the rate freeze provisions of Act 141.

The Commission finds that the statutory proscription against rate increases for the two largest utilities dictates rejection of the surcharge method at this time.[2] Moreover, the language adopted in Act 141 persuades the Commission that the Legislature did not intend to create a program that would require consumers to pay an additional surcharge to support it. Funding sources for renewable energy projects may be found through other agencies with which the MREP will coordinate its efforts. Among some of the possibilities for funds mentioned by the commenters are the United States Department of Energy, the CIS Energy Office, and the Michigan Economic Development Corporation. Perhaps additional grant sources may be found as well.

Incentives

1. Tax Rebates or Exemptions

Several parties state that one of the barriers to increasing the production of renewable energy is that Michigan property taxes alone may exceed the value of the renewable energy produced from renewables. This barrier could be eased, they suggest, by creating tax rebates or exemptions

[2]The Commission notes that rates for Indiana Michigan Power Company are also under a freeze pursuant to the Commission's December 16, 1999 orders in Case No U-12204 and Cases Nos. U-11181-R, U-11531-R, and U-11792.

that reduce that tax burden, thus improving the payback period for investment and encouraging new renewable energy projects. Other parties suggest that tax credits should be granted to encourage net metering, dispersed generation, new forms of energy generation, pollution abatement, hybrid electric vehicles, or other innovative forms of energy generation and conservation.

The Commission finds that these proposals must be addressed, if at all, by governing legislative bodies. The Commission is without authority to affect the tax structures of the state or local communities. However, this issue may be studied by the collaborative, with the goal of providing the Commission recommendations for seeking legislative action.

2. Portfolio Standards

Several parties advocate the Commission's establishing standards that would require electric utilities to acquire from renewable energy sources a certain percentage of the power that they sell. There are a variety of proposals for ways in which the Commission might approach portfolio standards. Generally, there is concern that, if any standard is imposed, it be imposed on all sellers of electricity in this state. Some parties suggest that the Commission merely establish a voluntary goal for all electricity providers in the state.

Consumers and Detroit Edison oppose the adoption of portfolio standards. These parties point out that Act 141 did not mandate renewable energy use on a percentage basis. They further request that the Commission explicitly find that an electric provider has no obligation to purchase renewable energy at above market costs. They state that imposing a portfolio standard, without that protection, could increase stranded costs.

At this juncture, the Commission declines to impose portfolio standards on providers selling electricity in Michigan. Rather, the Commission finds that it should permit the market to drive the demand for power from renewable energy sources. The intent of the public education component

of this program is to encourage customers to request power from renewable energy sources. Disclosure requirements, referred to earlier, will inform customers about the available power portfolios, and green tariffs can be a legitimate marketing tool for utilities. The current price for power from renewable energy sources is, on average, higher than that from traditional generation sources. However, alternate electric providers may be encouraged to purchase and market renewable energy in a competitive market if customers find the benefits outweigh the additional costs.

Moreover, the Commission finds that establishing portfolio standards at this time might have an unintended negative effect on the emerging competitive market. Setting a percentage that a provider must purchase from renewable energy sources could create a demand for which there is currently insufficient supply. The price for renewable energy might thereby become artificially inflated. Such a result would discourage sustainable market growth, and would likely have a negative long-term effect on the viability of renewable energy in Michigan. Finally, because of the current price differential, requiring a utility's portfolio to contain a specified percentage of energy purchased from renewable sources would likely increase the overall average cost of electricity for that utility. The Michigan Legislature and Congress are in a better position to determine whether portfolio standards are appropriate for energy markets.

3. Exemption from Stranded Costs

SBAM and First Power recommend that renewable energy (except for utility-owned renewable energy) should be sold on the regulated system without bearing any utility stranded costs. Consumers and Detroit Edison counter that avoidance of stranded costs would be unlawful and would require other open access customers to pay a higher charge.

The Commission is not persuaded that granting renewable energy sales an exemption from stranded cost responsibility is appropriate. The sale of renewable energy onto the grid is a wholesale transaction, which does not incur stranded costs or transition charges. If renewable energy is provided by an AES, then transition charges would apply, as would securitization charges for Detroit Edison and Consumers.

Ratemaking Activities

1. Time-of-Day Rates

Bruce Billedeaux, Bay Energy, and Energy Conversion Devices suggest establishing time-of-day rates to promote solar and wind energy to offset energy use during peak demand periods and to increase market-driven options. Energy Conversion Devices asserts that unbundling peak rates to certain classes of customers would be a good first step. The theory behind these suggestions is that peak usage is more expensive to supply and should be priced accordingly in order to send more appropriate market signals to customers.

The Commission finds that these suggestions may be worth exploring. However, the frozen rates mentioned earlier preclude implementing this option for most Michigan electric customers. The Commission notes that alternative electric suppliers are free to offer time-of-day rates, and customers are free to request such rates from those suppliers.

2. Green Tariffs

Some commenters support utility use of green tariffs, which provide the utility's customers the opportunity to purchase power that has been produced using renewable energy sources. The Commission has already approved such tariffs for three Michigan utilities. It approved Consumers'

proposed green energy tariffs in the July 25, 2001 order in Case No. U-13029. Detroit Edison has a tariff for photovoltaic power, which was approved in the Commission's July 31, 1995 order in Case No. U-10893. Wisconsin Electric Power Company also has an experimental renewable energy rider approved by the Commission's November 16, 1999 order in Case No. U-12099.

In the above cases, the utilities voluntarily proposed green tariffs. The utilities' comments in this proceeding support green tariffs remaining strictly voluntary. The utilities oppose any requirement that they purchase power from renewable energy sources or implement any particular green tariff program.

The Commission finds that green tariffs are an appropriate method of providing customers with the ability to purchase energy produced by renewable energy sources. At this juncture, the Commission is persuaded that green tariffs or renewable energy programs should be undertaken on a voluntary basis, as the market dictates. Several commenters state that customers have demonstrated that they are willing to pay additional amounts to obtain power from renewable energy sources. As the open access provisions of Act 141 are implemented and the market of alternate service providers expands, the demands of the market may be expected to reflect these trends. And, as demand grows, so will the market opportunities for renewable energy producers. The Commission is willing to consider making the pilot programs or experimental tariffs permanent. Moreover, the Commission is willing to consider proposals for new green tariff designs that would be offered to customers on a voluntary basis and that avoid assigning costs to non-participating customers.

3. Net Metering

When a customer produces electric energy in excess of its needs, it may provide power back to the serving utility. Net metering accounts for deliveries from the customer to the utility by

"running the meter backwards," thereby reducing the amount of electricity usage for which the customer will be billed. The Staff report indicates that about 30 states have rules concerning net metering. Oakland Community College and SBAM suggest that the Commission adopt the most aggressive net metering policies in the nation and subsidize the purchase of net metering technologies through low interest loans and tax credits. Several other commenters suggest that net metering rules would ease the transition for small residential and commercial customers to install and use renewable energy systems. The CIS Energy Office and Tom Knoll indicate that legislation to include net metering in the MREP would be worth pursuing. The supporters of net metering proposed different limitations and qualifications for such a program.

Detroit Edison, MEGA, and MECA oppose net metering. These commenters state that net metering would violate Act 141 because it would effectively prohibit an electric utility from metering and billing its customers for services provided and permit bypassing the nonbypassable securitization charge for the use or availability of electric services. Further, they complain that net metering does not take into consideration demand charges and real-time pricing. They further state that net metering would result in substantial expenditures to modify the companies' billing systems. MEGA adds that net metering essentially creates a subsidy for customers that generate electricity in excess of their needs.

In its reply comments, the Sierra Club argues that the only real cost of net metering is indirect, due to the customer's lowered purchases, which reduces revenue to the utility. Further, the Sierra Club notes, many of the customers for which net metering would be appropriate obtain power through photovoltaic, wind, or solar systems that produce more electricity during the on-peak times, when the incremental cost of generation is the highest.

The Commission finds that net metering or similar approaches have the potential to be an instrumental factor in encouraging deployment of renewable energy generation by residential and small commercial customers.[3] For that reason, the Commission is persuaded that it should explore implementation of these options, as part of the MREP. There are, however, many implementation issues for which consensus has not been established. The Commission finds that those issues are best addressed through a collaborative process, which may facilitate a consensus resolution of these issues by interested parties in the industry, including utilities, power producers, those related to the renewable energy industry, and other interested parties. The Commission therefore refers this issue to the collaborative created earlier in this order, with the objective of having it develop a consensus and present a comprehensive recommendation to the Commission on methods to encourage the development of renewable energy generation by residential and small commercial customers, including net metering.

4. Interconnection Standards/Charges

One barrier to expanding the renewable energy market that received a substantial amount of attention relates to interconnection standards and charges. Consumers and Detroit Edison stated that the new draft interconnection standards that they each filed in Case No. U-12485 will promote the development of equitable and understandable interconnection standards and that utility customers and shareholders should not bear the cost of interconnecting renewable energy generators. MECA argues that the most important issues should be the safety of utility personnel and the integrity of the distribution and transmission system. Several commenters recommend that the Commission waive all interconnection charges for renewable energy suppliers.

[3]In the February 14, 2001 order in Case No. U-12827, the Commission approved a contract rider that enables customers operating less than 100 kilowatts of on-site generation capacity to sell energy to Detroit Edison at the utility's top incremental cost of power.

At this juncture, the Commission is reviewing the interconnection standards in Case No. U-12485, and thus, declines to comment at this time on the proposals of Consumers and Detroit Edison. However, the Commission finds that Michigan utilities should promote interconnection with renewable energy providers by permitting the least cost method of interconnection that is consistent with safety concerns and the integrity of the electric grid. Utilities may desire to propose payment options that would ease the entry of renewable energy providers to the market. However, the Commission does not conclude that it should require the utilities to waive all interconnection fees for renewable energy suppliers at this time.

Program Evaluation

The comments and reply comments include varied proposals for methods and measurements that might be useful in evaluating the MREP's performance. For example, Oakland Community College and SBAM propose that the Commission contract with BLDI Environmental and Safety Management to employ the Power Scorecard as the primary performance measurement. The CIS Energy Office and others suggest that the Commission measure the contribution that new renewable energy resources make to meeting peak electric demand and the amount of electricity produced by those sources. Detroit Edison suggests measuring quantitative data associated with customer awareness, and any increase in renewable energy use, including change in the number of renewable energy installations or number of customers receiving electricity from renewable energy sources. Additionally, there is support for measuring the reduction or avoidance of pollution and the creation of local jobs.

On the other hand, Consumers argues that projections of environmental impact and the creation of jobs are both subjective in nature. It suggests instead that the Commission measure the change in the amount of renewable energy generated either in Michigan or for Michigan

customers, assuming customers are willing to pay the additional costs of providing energy from renewable sources. Consumers suggests monitoring the number and aggregate capacity of green providers receiving third-party certification, tracking percentage and absolute change indicators of renewable penetration, and monitoring the number of hits on the MREP website.

The Commission finds that the Staff should prepare an annual report concerning the MREP. That report should include a review of the amount of power generated from renewable sources within Michigan, the percentage of power purchased by Michigan customers that is obtained from renewable energy sources, the number of customers producing power with their own renewable energy installations, use of the website authorized by this order, the number and aggregate capacity of renewable energy generators receiving third-party certification, the percentage and absolute change indicators of renewable penetration, and other factors that will permit the Commission to monitor the progress on the statutory mandate to educate consumers and promote the use of renewable energy. The annual report should also include a summary of legislative action and recommendations from the collaborative.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACS, R 460.17101 et seq.

b. The Staff should initiate a collaborative, with members representing the varied interests of those concerned with renewable energy, to address the issues referred to it in this order.

c. The Staff's proposed MREP, as modified by this order, should be adopted.

THEREFORE, IT IS ORDERED that the Commission Staff's proposed Michigan Renewables Energy Program, as modified by this order, is adopted.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of May 16, 2002.

/s/ Dorothy Wideman
Its Executive Secretary

THEREFORE, IT IS ORDERED that the Commission Staff's proposed Michigan Renewables Energy Program, as modified by this order, is adopted.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Laura Chappelle
Chairman

Commissioner

Robert B. Nelson
Commissioner

By its action of May 16, 2002.

Its Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-12915

County of Ingham)

Susan Smith, being duly sworn, deposes and says that on May 16, 2002, A.D. she served a copy of the attached commission order, mailing copies thereof by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

Subscribed and sworn to before me
this 16th day of May 2002

Notary Public, in Ingham County, Michigan.
My Commission expires August 16, 2004

SERVICE LIST FOR DOCKET # U - 12915- CASE #
DATE OF PREPARATION: 05/15/2002

THOMAS R. KNOLL
10345 B DRIVE NORTH
CERESCO MI 49033

THE DETROIT EDISON COMPANY
2000 SECOND AVENUE
DETROIT MI 48226

ANNE WOIWODE
MACKINAC CHAPTER SIERRA CLUB
109 EAST GRAND RIVER AVENUE
LANSING MI 48906

BRUCE BILLEDEAUX
2422 KALAMARA AVENUE
PORTAGE MI 49024

DEANNE BEDNER
UPLAND HILLS ECOLOGICAL AWARENESS CTR.
2375 INDIAN LAKE ROAD
OXFORD MI 48324

JAMES AULT
MICHIGAN ELECTRIC & GAS ASSOCIATION
1616 MICHIGAN NATIONAL TOWER
LANSING MI 48933

JAMES CLIFT
MICHIGAN ENVIRONMENTAL COUNCIL
119 PERE MARQUETTE DRIVE, SUITE 2A
LANSING MI 48912

KENNETH SAULTER
1925 IVYWOOD DRIVE
ANN ARBOR MI 48103 4527

MARTIN KUSHLER
AMERICAN COUCIL FOR AN ENERGY
EFFICIENT ECONOMY
2617 DONNA DRIVE
WILLIAMSTON MI 48895

MICHAEL PETERS
MICHIGAN ELECTRIC COOPERATIVE ASSOC.
2859 W. JOLLY ROAD
OKEMOS MI 48864

MR. DAVID BOLAN
LANSING BOARD OF WATER & LIGHT
1232 HACO DRIVE
P. O. BOX 13007
LANSING MI 48901 3007

MR. JAMES CLIFT
MICHIGAN ENVIRONMENTAL COUNCIL
119 PERE MARQUETTE DR.
SUITE 2A
LANSING MI 48912

MR. RICH VANDER VEEN
BAY WINDPOWER LLC
2050 ROBINSON ROAD S.E.
E. GRAND RAPIDS MI 49506

MR. RONALD E. RUSSELL
525 OKEMOS RD.
SUITE B
MASON MI 48854

MR. THOMAS MATHIEU
MCAAA
516 S. CREYTS ROAD
SUITE A
LANSING MI 48917

NANCY BACON
ENERGY CONVERSION DEVICES, INC.
1675 WEST MAPLE ROAD
TROY MI 48084

NICOLAS PIETRANGELO
HARDING ENERGY INC.
ONE ENERGY CENTRE
NORTON SHORES MI 49441

R. THOMAS MARTIN
CIS ENERGY OFFICE --- ID MAIL
6545 MERCANTILE WAY
LANSING MI 48909

RICHARD BLIEDEN, PHD
BEKAERT ECD SOLAR SYSTEMS LLC
1100 WEST MAPLE ROAD
TROY MI 48084

STANLEY JASEK
FIRST POWER
4927 STARIHA DRIVE
MUSKEGON MI 49441

SERVICE LIST FOR DOCKET # U - 12915- CASE #
DATE OF PREPARATION: 05/15/2002

STEVEN SMILEY
BAY ENERGY SERVICES, INC.
305 1/2 ST. JOSEPH AVENUE
BOX 777
SUTTONS BAY MI 49682

SUSAN BARNES
GREAT LAKES RENEWABLE ENERGY ASSOC.
1546 10 MILE ROAD, NE
COMSTOCK PARK MI 49321

MR. JON R. ROBINSON
CONSUMERS ENERGY COMPANY
212 W. MICHIGAN AVENUE
JACKSON MI 49201

MR. JOHN M. DEMPSEY
DICKINSON WRIGHT PLLC
215 S. WASHINGTON AVENUE, SUITE 200
LANSING MI 48933

MR. BRIAN W. COYER
KNAGGS, HARTER, KING & BRAKE
1375 S. WASHINGTON, SUITE 300
LANSING MI 48910

MR. JON P. CHRISTINIDIS
THE DETROIT EDISON COMPANY
2000 SECOND AVENUE 688 WCB
DETROIT MI 48226