

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
to establish the <b>MICHIGAN RENEWABLES</b>	)	Case No. U-12915
<b>ENERGY PROGRAM.</b>	)	
<hr/>	)	

At the January 25, 2005 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chair  
Hon. Robert B. Nelson, Commissioner  
Hon. Laura Chappelle, Commissioner

**ORDER DENYING REHEARING**

On June 17, 2004, The Detroit Edison Company (Detroit Edison) filed a petition for rehearing and clarification of the Commission's May 18, 2004 order that directed "regulated utilities with more than 250,000 customers in Michigan other than Consumers Energy Company [to] issue requests for proposals no later than August 16, 2004." Order, Case No. U-12915, p. 12. Detroit Edison stated that it interpreted this language as a directive for the utility to issue an investigatory request for proposals (RFP). According to Detroit Edison, such an interpretation is appropriate because the green power market is still developing, Detroit Edison does not know what will be proposed, and the appetite of its customers for renewable energy will depend largely on price. Detroit Edison also stated that it did not interpret the May 18 order as requiring it to purchase any form of green power at this time.

Timely responses to Detroit Edison's petition were filed by Mackinaw Power, L.L.C. (Mackinaw), and North American Wind Energy, L.L.C. (NAWE). Mackinaw urged the Commission to grant Detroit Edison's petition, in part. Mackinaw insisted that the Commission should not only require Detroit Edison go forward with a new renewable energy program (REP) at this time, but also that the Commission should clearly delineate that Detroit Edison may only sign financeable power purchase agreements for new, Michigan-based, zero-emissions renewable energy with companies that have intervened in Case No. U-12915 or Case No. U-13808.

NAWE stated that a reasonable interpretation of the May 18 order is that Detroit Edison should design its own REP following the general principles enumerated in Case No. U-13808. Thereafter, NAWE believed that Detroit Edison should issue RFPs to purchase green power from Michigan suppliers pursuant to Detroit Edison's own program.

On August 16, 2004, Detroit Edison issued an RFP as required by the May 18 order. Responses to the RFP were filed by October 29, 2004.

On November 23, 2004, the Commission issued an order in Case No. U-13808 that among other things directed Detroit Edison to commence a new REP. In so doing, the Commission stated:

[T]he Commission finds that Detroit Edison should implement an REP, which should be available to all customers throughout Detroit Edison's service territory on a voluntary basis. That program should be able to accommodate approximately 1% of the company's residential sales prior to the end of calendar year 2006—this accommodates the time lag since much of the testimony was filed in this record. The company should target expansion of the program to be able to accommodate approximately 2%-3% of the company's residential sales prior to the end of calendar year 2008. Such is not an unreasonable goal for this program, and with the company's promotional assistance, it may prove to be at the low end of actual customer involvement. The REP must be open to all of Detroit Edison's customers. As pointed out by Detroit Edison, in order to implement the REP the company will need a good comprehension of the available renewable resource energy options and facilities available within its service territories. Thus, the ALJ's recommendation that the company conduct such a survey is appropriate and the Commission directs

Detroit Edison to undertake that study, with July 1, 2005 as the target date for its conclusion. At a minimum, the survey should include at least a preliminary inventory of all available renewable resources and those that might be developed within the Detroit Edison service territory, the estimated costs to produce that energy, and the format that Detroit Edison's REP should take. And, the company shall file an application on or before July 1, 2005 to implement a renewable energy program, including proposed tariffs. While the record shows that generation from renewable resources may be more costly than that from existing fossil-fueled sources, it is also true that renewable-fueled technologies provide portfolio diversity and other significant benefits. From that course of action, costs may decrease.

Order, 125.

The Commission specifically noted that Detroit Edison's August 18, 2004 filing in Case No. U-12915 resulted in an RFP that "may have provided the company with significant background information upon which to craft its REP for presentation to this Commission." November 23 order, Case No. U-13808, p. 125, footnote 44. Indeed, the Commission stated that the information garnered by the RFP would likely hasten the completion of the initial survey recommended by the administrative law judge.

For these reasons, the Commission finds that rehearing or further clarification of the May 18 order is not necessary.

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, 1999 AC, R 460.17101 et seq.
- b. Detroit Edison's petition for rehearing and clarification of the May 18 order should be denied.

THEREFORE, IT IS ORDERED that The Detroit Edison Company's petition for rehearing and clarification of the May 18, 2004 order in this proceeding is denied.

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/ J. Peter Lark

Chair

( S E A L )

/s/ Robert B. Nelson

Commissioner

/s/ Laura Chappelle

Commissioner

By its action of January 25, 2005.

/s/ Mary Jo Kunkle

Its Executive Secretary

THEREFORE, IT IS ORDERED that The Detroit Edison Company's petition for rehearing and clarification of the May 18, 2004 order in this proceeding is denied.

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

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Chair

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Commissioner

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Commissioner

By its action of January 25, 2005.

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Its Executive Secretary

# P R O O F O F S E R V I C E

STATE OF MICHIGAN )

Case No. U-12915

County of Ingham )

Patricia A. Fronta being duly sworn, deposes and says that on January 25<sup>th</sup> 2005, A.D. she served a copy of the attached Commission orders by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

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Patricia Fronta

Subscribed and sworn to before me  
this 25<sup>th</sup> day of January 2005

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Gloria Pearl Jones  
Notary Public, Eaton County, Michigan  
Acting in Ingham County  
My Commission expires June 5, 2007

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# P R O O F O F S E R V I C E

STATE OF MICHIGAN )

Case No. U-12915

County of Ingham )

Anita M. Castilla being duly sworn, deposes and says that on January 26<sup>th</sup> 2005, A.D. she served a copy of the attached Commission orders via E-Mail, to the persons as shown on the attached service list.

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Anita M. Castilla

Subscribed and sworn to before me  
this 26<sup>th</sup> day of January 2005

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Notary Public, Ingham, County, Michigan  
My Commission expires August 16, 2011

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\* Total number of users subscribed to the list: 58

\* Total number of local host users on the list: 0